



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

FOR OFFICIAL USE ONLY

Report No: PAD4647

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

A PROPOSED GRANT

IN THE AMOUNT OF SDR 161.5 MILLION
(US\$217 MILLION EQUIVALENT)

OF WHICH SDR 26.8 MILLION (US\$36 MILLION EQUIVALENT) IS FROM THE
WINDOW FOR HOST COMMUNITIES AND REFUGEES (COVID 19 SUB-WINDOW)

TO THE

REPUBLIC OF UGANDA

FOR A

GENERATING GROWTH OPPORTUNITIES
AND PRODUCTIVITY FOR WOMEN ENTERPRISES UGANDA PROJECT

May 25, 2022

Social Sustainability and Inclusion Global Practice
Eastern and Southern Africa Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2022)

Currency Unit = Uganda Schillings (UGX)

UGX 3,569.05 = US\$1

US\$1 = SDR 0.74388157

FISCAL YEAR

July 1 - June 30

Regional Vice President: Hafez M. H. Ghanem

Country Director: Keith E. Hansen

Acting Regional Director: Catherine Signe Tovey

Practice Manager: Helene Monika Carlsson Rex

Task Team Leaders: Margarita Puerto Gomez, Fatima Naqvi, Samuel Thomas Clark

ABBREVIATIONS AND ACRONYMS

BMGF	Bill and Melinda Gates Foundation
BTVET	Business Technical Vocational Education and Training
CDOs	Community Development Officers
COVID-19	Corona Virus Disease of 2019
CPF	Country Partnership Framework
CRI	Corporate Results Indicator
CRRF	Comprehensive Refugee Response Framework
CSO	Civil Society Organization
DRDIP	Development Response to Displacement Impacts Project
EIRR	Economic internal rate of return
ESF	Environment and Social Framework
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
FI	Financial Institution
GBV	Gender Based Violence
GDP	Gross Domestic Product
GoU	Government of Uganda
GRID	Green, Inclusive, Resilient Development
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Services
GROW	Generating Growth Opportunities and Productivity for Women Enterprises
ICT	Information and Communication Technology
IE	Impact Evaluation
IDA	International Development Association
INVITE	Investment For Industrial Transformation and Employment Project
JLIRP	Jobs and Livelihoods Integrated Response Plan for Refugees and Host Communities
KCCA	Kampala Capital City Authority
LED	Local Economic Development
M&E	Monitoring and Evaluation
MFI	Microfinance Institution
MFPED	Ministry of Finance, Planning, and Economic Development
MGLSD	Ministry of Gender, Labor, and Social Development
MIS	Management Information System
MLG	Ministry of Local Government
MSMEs	Micro, Small, and Medium Enterprises
MUBS	Makerere University Business School
NDP	National Development Plan
NEMA	National Environmental Management Authority
NGO	Non-government Organizations
NPV	Net present value
NUSAF	Northern Uganda Social Action Fund
OPM	Office of the Prime Minister
PACR	Project Advisory Committee for Refugees
PBCs	Performance-based Conditions
PDM	Parish Development Model
PFI	Participating Financial Institution

PIT	Project Implementation Team
PO	Production officers
POM	Program Operations Manual
PPDA	Public Procurement and Disposal of Public Assets
PPP	Private-Public Partnership
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee
PSFU	Private Sector Foundation Uganda
PTC	Project Technical Committee
RHD	Refugee-Hosting District
SOPs	Standard Operating Procedures
SORT	Systematic Operations Risk-rating Tool
STEP	Systematic Tracking of Exchanges in Procurement
UBOS	Uganda Bureau of Statistics
UGGDS	Uganda Green Growth Development Strategy
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
UNHCR	United Nations High Commissioner for Refugees
UNHS	Uganda National Household Survey
UEW	Unsafe Environment for Women
UWEP	Uganda Women Entrepreneurship Program
VSLAs	Village Savings and Loans Associations
WEE	Women's Economic Empowerment
WHR	Window for Host Communities and Refugees



TABLE OF CONTENTS

DATASHEET.....	1
I. STRATEGIC CONTEXT	7
A. Country Context.....	7
B. Sectoral and Institutional Context	8
C. Relevance to Higher Level Objectives.....	12
II. PROJECT DESCRIPTION	14
A. Project Development Objective	14
B. Project Components	15
C. Project Costs and Financing.....	27
D. Project Beneficiaries.....	27
E. Results Chain.....	28
F. Rationale for World Bank Involvement and Role of Partners.....	29
G. Lessons Learned and Reflected in the Project Design.....	29
III. IMPLEMENTATION ARRANGEMENTS.....	30
A. Institutional and Implementation Arrangements	30
B. Results Monitoring and Evaluation Arrangements.....	32
C. Sustainability.....	32
IV. PROJECT APPRAISAL SUMMARY	33
A. Economic and Technical Analysis	33
B. Fiduciary.....	35
C. Legal Operational Policies.....	36
D. Environmental and Social.....	36
V. GRIEVANCE REDRESS SERVICES.....	38
VI. KEY RISKS	38
VII. RESULTS FRAMEWORK AND MONITORING.....	40
ANNEX 1: Implementation Arrangements and Support Plan.....	51
ANNEX 2: Alignment of World Bank supported Projects in Refugee and Host Districts (RHD).....	70
ANNEX 3: Eligibility Criteria for Selection of Participating Financial Institutions (PFIs)	72
ANNEX 4: Climate Change Co-Benefits.....	75



DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Uganda	Generating Growth Opportunities and Productivity for Women Enterprises Project	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P176747	Investment Project Financing	Substantial

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input checked="" type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
17-Jun-2022	31-Dec-2027

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To increase access to entrepreneurial services that enable female entrepreneurs to grow their enterprises in targeted locations, including host and refugee communities

Components

Component Name	Cost (US\$, millions)
----------------	-----------------------



Support for Women Empowerment and Enterprise Development Services, including in host and refugee communities	42.00
Access to Finance for Women Entrepreneurs	90.00
Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition	70.00
Program Management Support, Policy Innovation, and Evidence Generation	15.00

Organizations

Borrower:	Republic of Uganda
Implementing Agency:	Ministry of Gender, Labor and Social Development Private Sector Foundation Uganda

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	217.00
Total Financing	217.00
of which IBRD/IDA	217.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	217.00
IDA Grant	217.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Uganda	0.00	217.00	0.00	217.00
National PBA	0.00	181.00	0.00	181.00
Refugee	0.00	36.00	0.00	36.00
Total	0.00	217.00	0.00	217.00



Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2022	2023	2024	2025	2026	2027
Annual	0.00	21.29	25.77	32.10	40.01	55.07
Cumulative	0.00	21.29	47.06	79.16	119.17	174.24

INSTITUTIONAL DATA

Practice Area (Lead)

Social Sustainability and Inclusion

Contributing Practice Areas

Education, Finance, Competitiveness and Innovation, Gender, Social Protection & Jobs

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Moderate
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Substantial
8. Stakeholders	Low
9. Other	Moderate
10. Overall	Substantial



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants



Conditions		
Type	Financing source	Description
Effectiveness	IBRD/IDA	The Association is satisfied that the Recipient has an adequate refugee protection framework.
Effectiveness	IBRD/IDA	The Recipient has prepared and adopted the Project Operations Manual (POM), in form and substance satisfactory to the Association.
Effectiveness	IBRD/IDA	A Subsidiary Agreement, acceptable to the Association, has been duly executed and delivered on behalf of the Recipient and the Project Implementing Entity, and such Subsidiary Agreement has become effective and binding upon the parties in accordance with its terms;
Effectiveness	IBRD/IDA	The Recipient has, consistent with ESS 10, prepared, consulted on, adopted and implemented, the Stakeholder Engagement Plan (SEP) in accordance with the Stakeholder Engagement Framework (SEF), in form and substance satisfactory to the Association
Effectiveness	IBRD/IDA	The Recipient has: (i) established the Project Implementation Teams (PITs) with functions, and terms of reference satisfactory to the association; and (ii) designated to said PITs a Project coordinator, a procurement specialist, a financial management specialist, an environmental specialist, a social development specialist, and a gender specialist, all in accordance with the provisions of the Procurement Regulations.
Disbursement	IBRD/IDA	No withdrawal shall be made, under Categories (3), (4) and (5), unless, the Recipient has prepared and adopted the Grants Manual, in the form and substance satisfactory to the Association
Disbursement	IBRD/IDA	No withdrawal shall be made, under category (4), unless, consistent with ESS9, the Recipient and the Project Implementing Entity have ensured that: (A) the Recipient has conducted the readiness assessment of the Project Implementing Entity's environmental and social management systems, in form and substance satisfactory to the Association; (B) each PFI has adopted and operationalized the



		environmental and social management systems, acceptable to the Association, for screening subprojects; (C) assessed, in form and substance satisfactory to the Association, the organizational capacity and competency of each PFI for implementing environmental social management systems; and (D) hired or designated a senior representative with experience, qualifications, and terms of reference satisfactory to the Association, with the responsibility for overall accountability of environmental and social performance of approved activities
Type Disbursement	Financing source IBRD/IDA	Description No withdrawal shall be made under Category (5), unless, the Recipient has prepared, consulted on, adopted, and disclosed the Labor Management Procedures (LMP) for the Project, in form and substance satisfactory to the Association.



I. STRATEGIC CONTEXT

A. Country Context

- 1. Uganda has made significant progress towards socioeconomic transformation over the last three decades. The country registered an average annual Gross Domestic Product (GDP) growth above 5 percent during the 2002 -2012 period.** However, the country's growth trajectory remains volatile, following a leveling off of growth and the continuing impacts of the Corona Virus Disease of 2019 (COVID-19). GDP growth decelerated to around 5 percent during 2013–2019 and the economy contracted by 1.1 percent in 2020 because of the Government of Uganda (GoU) strict COVID-19 containment measures and disruptions in global supply chains, which prompted a tightening of public investment and a drop in consumption. With the loosening of containment measures, real GDP growth rebounded by over 13 percent in the fourth quarter of fiscal 2021, as restrictions to contain COVID-19 were relaxed. Consumption, public investment, and services all recovered strongly. However, new waves of infection in late 2021 and early 2022 led to the imposition of new lockdown measures, disrupting the nascent economic recovery. The medium-term outlook remains uncertain. Under a baseline scenario, real GDP is expected to grow by around 3.5-4.0 percent in fiscal 2022 and about 5.5 percent in fiscal 2023. Considering large global and domestic uncertainties, such as oil and food price shocks exacerbated by the war in Ukraine, the recovery could be slower.
- 2. The COVID-19 shock has been accompanied by increases in poverty and unemployment.** According to the latest Uganda National Household Survey (UNHS), although overall poverty in 2019/20 (20.3 percent) was slightly lower than in 2016/17 (21.4 percent), poverty in the COVID-19 period was significantly higher than in the pre-COVID-19 period.¹ It increased to 21.9 percent during the first COVID-19 wave. Rising unemployment and work stoppages have pushed many Ugandans, especially women, back into subsistence agriculture, setting back achievement of the country's development goal of reducing the share of the population dependent on subsistence agriculture as a main source of livelihood from 69 to 55 percent between 2020/21 and 2024/25.²
- 3. Uganda is experiencing accelerating impacts from climate change that affect livelihoods in key sectors.** Rising temperatures and variability in rainfall is producing more intense and longer lasting droughts as well as more frequent, heavy precipitation events leading to flooding and landslides. These vulnerabilities are heightened given the economy's strong reliance on climate-sensitive sectors like agriculture and tourism. While women are particularly vulnerable to the impacts of climate change, given their reliance on subsistence agriculture, they are also active in safeguarding resources such as water, giving them important roles in protecting the environment.
- 4. Supporting women's entrepreneurship holds a critical place in Uganda's efforts to revive its economy.** Currently, women are less likely than men to be paid employees (13 percent of women compared with 23 percent of men), and more likely to be self-employed (80 percent compared to men's 70 percent).³ In this context, promoting ways for women to grow and expand their businesses is a good option to promote economic recovery. Micro, small, and medium enterprises (MSMEs) created within the past five years now generate over 50 percent of formal jobs, and household enterprises provide employment for another 3.1 million households.⁴ Furthermore, women are particularly vulnerable

¹ The Uganda Bureau of Statistics (UBOS) has recently announced poverty rates based on the UNHS 2019/2020. The data for this survey was collected in two periods with a break during the strictest lockdown period between March–June 2020. The first data collection period started in September 2019 and ended in February 2020, then it resumed in July 2020 and ended in November 2020.

² Government of Uganda (2020), Third National Development Plan (NDP III).

³ GoU 2018. National Labour Force Survey.

⁴ World Bank. 2019. "Uganda Jobs Strategy for Inclusive Growth."



to climate change impacts but are also stewards of environmental management, have rich traditional knowledge and experience adapting to climate change, and have great potential to contribute green, resilient recovery of the Ugandan economy.

Refugees and Host Communities

5. **Uganda hosts the largest number of refugees in Africa, of which 52 percent are female.** Their number has more than doubled since 2015 to almost 1.6 million.⁵ About 94 percent of the refugees live in settlements across 12 Refugee Hosting Districts (RHDs) with a population of 4,437,500 people (excluding Kampala), while the remainder live in urban areas. GoU has invested consistently in improving access to services, infrastructure and livelihoods opportunities for refugees and hosting communities both in rural and urban settings. There is a working age population (between 18 and 59) in refugee hosting districts of more than 315,000 refugee women and 918,000 host community women.⁶ Half of all refugee households are headed by women.⁷

6. **Uganda's refugee population is overwhelmingly young and female, highly vulnerable to climate and other shocks, and heavily dependent on government aid.** For refugee women, reduced humanitarian assistance and fewer food rations coupled with the lockdowns and economic recession has further reduced their incomes and exacerbated their vulnerability. They have been more adversely affected by climate-related and COVID-19 shocks than their Ugandan counterparts and have been slower to recover.⁸ Female refugees were more likely to stop working following COVID-19 lockdowns than Ugandan nationals or male refugees. While there was no difference based on gender, refugee businesses were less likely to continue operating after COVID-19 shocks than those of Ugandan nationals. Compared to less than a quarter of Ugandan households, at least half of refugee households borrowed money to cope with the impacts of the COVID-19 emergency. Preliminary evidence suggests that many refugees in urban areas moved to rural areas during lockdown and the subsequent months, due to difficulties of paying rent with reduced income. Under these intense pressures, refugees are ten times more likely to suffer from depression.⁹

B. Sectoral and Institutional Context

7. **Uganda has the highest proportion of women's business ownership in the Africa region.** The 2020 Mastercard Global Index of Women Entrepreneurs estimated that women own nearly 40 percent of all businesses.¹⁰ Earlier surveys have presented more varied estimates, suggesting female-owned enterprises make up between 23–44 percent of all businesses.¹¹ MSMEs are critical to the economic growth. They employ nearly 2.5 million people, 90 percent of all private sector employees, produce 80 percent of manufactured products, and generate 20 percent of GDP.¹²

8. **Yet most women-led firms never grow past the micro level, while male-owned firms are twice as likely to move from micro to small size.** Estimates from various surveys suggest that 80–94 percent of all women-owned firms in Uganda

⁵ United Nations High Commissioner for Refugees (UNHCR) and the Office of the Prime Minister (OPM). 2022. Uganda Comprehensive Refugee Response Portal.

⁶ Host community numbers are UNHCR and OPM figures based on projected UBOS 2020 census data for women aged 20-59.

⁷ World Bank. 2019 Informing the Refugee Policy Response in Uganda: Results from the Uganda Refugee and Host Communities 2018 Household Survey (English). Washington, DC: World Bank.

⁸ World Bank. 2021. Monitoring Social and Economic Impacts of COVID-19 on Refugees in Uganda: Results from the High-Frequency Phone - Third Round. World Bank, Washington, DC. World Bank.

⁹ High-Frequency Phone Survey- Third Round. 2021.

¹⁰ Understood as firms in which at least 51 percent of shares are owned by women.

¹¹ 2021. Rapid Profiling of the Socioeconomic Dimensions of Female Entrepreneurs in Uganda. GROW Preparation, October 2021.

¹² Financial inclusion and the growth of small medium enterprises in Uganda: empirical evidence from selected districts in Lango subregion. *J Innov Entrep* 10, 23 (2021).



are microenterprises, those with fewer than five employees and annual turnover of less than 10 million Uganda shillings (less than US\$2,810). About 60 percent of female-owned microenterprises have only one employee, with nearly 77 percent having four or fewer employees¹³. Notably, male-owned firms also cluster at the micro level, with 76 percent having four or fewer employees.¹³ Very few firms transition to employing 10 people or more (7.5 percent), but more than twice as many male-owned firms make this jump (9.4 percent) compared to women-owned firms (2.6 percent).

9. **Women’s businesses also tend to be located in more vulnerable sectors, and earn 30 percent less in profits than firms owned by men.**¹⁴ Fewer than 10 percent of women entrepreneurs run businesses in sectors traditionally dominated by men, such as transport, or agribusiness. However, women who managed to enter male-dominated sectors attained revenues equal to those of male-owned firms.¹⁵ This points to significant potential for benefits in terms of growth and job creation if women’s micro-enterprises are able to expand to new sectors and grow.

10. **Lockdowns in 2020 and 2021 hit MSMEs hard, especially those owned by women.** A study by the National Federation of Small and Medium-Sized Enterprises reported that 49 percent of MSMEs struggled to pay their bills, and 45 percent of businesses in Kampala had to close as a direct consequence of the pandemic.¹⁶ While women-led businesses were about as likely to close as male-led firms during 2020–21, women entrepreneurs were more than twice as likely to require financial assistance to reopen (85 percent) than male entrepreneurs (31 percent).¹⁷ Younger, female entrepreneurs (ages 15–30) were the most affected, with business closure rates about twice as high as those for males of the same age.¹⁸

Constraints to Women’s Entrepreneurship and Enterprise Growth

11. **Several factors limit women’s ability to take advantage of economic opportunities.** These accrue throughout childhood, adolescence, and adulthood, culminating in women’s much greater exclusion from growth-oriented private enterprise. Limiting factors include weak implementation of Uganda’s progressive legal and policy framework to promote gender equality, social norms that promote women’s economic dependence on men, caretaking demands on women, high exposure to violence and harassment in the workplace, and climate related and other stressors. Other critical constraints include: (a) gender discriminatory barriers in accessing finance; (b) skills mismatch and occupational segregation; (c) limited access to technology, information, and opportunities to build skills and networks; and (d) lack of access to infrastructure and facilities such as childcare facilities and safe and accessible transport.

12. **Chief among the factors that limit female entrepreneurship are household roles and responsibilities.** Rigid traditional norms dictate that women and girls are responsible for family care and housekeeping duties, whereas men are traditionally perceived as the primary income earners of the household. Before the COVID-19 lockdowns, 92 percent of women and 31 percent of men ages 31–64 were engaged in care work. Women care for children, sick, and elderly household members at much higher rates than men. The competing demands on women’s time affect their businesses’ profits: 37 percent of women entrepreneurs bring their children to work, compared to no men, and profits of enterprises where small children are present are 48 percent lower than those without small children present, including female-

¹³ 2021. Rapid Profiling of the Socioeconomic Dimensions of Female Entrepreneurs in Uganda. GROW Preparation, October 2021.

¹⁴ World Bank Group. 2019. Profiting from Parity: Unlocking the Potential of Women’s Business in Africa. World Bank, Washington, DC.

¹⁵ 2015. Breaking the Metal Ceiling. Female Entrepreneurs Who Succeed in Male-Dominated Sectors. Washington, D.C.: World Bank.

¹⁶ Federation of Small and Medium Sized Enterprises in Uganda 2021, August.

¹⁷ 2022. Gendered Impacts of the COVID-19: Crisis in Uganda and Opportunities for an Inclusive and Sustainable Recovery (English). Washington, D.C.: World Bank Group.

¹⁸ 2022. Gendered Impacts of the COVID-19: Crisis in Uganda and Opportunities for an Inclusive and Sustainable Recovery (English). Washington, D.C.: World Bank Group.



owned enterprises without children.¹⁹ With total fertility rates in Uganda still very high at 4.7 children per woman, care burdens are compounded for women.

13. **Social norms and risks of violence against women also influence the choices of Ugandan women for businesses sectors and sizes.** Women can feel discouraged from entering or expanding in more profitable (male-dominated) sectors, as doing so may signal their transgression of gender norms about men being the main income providers in households. Risk of violence also constitutes a significant barrier to women’s entrepreneurship in Uganda. A 2020 national survey of violence against women reports that almost all (95 percent) of Ugandan women between 15–49 years old have experienced physical or sexual violence from either an intimate partner or a non-partner during their lifetime.²⁰ This is more than three times the global average (27 percent lifetime,) and the averages for Sub-Saharan Africa (33 percent lifetime).²¹ More than half reported that their partners insisted on knowing where they were at all times (54 percent) and control how they spend their money (29 percent).

14. **Women entrepreneurs are likely to be excluded from the channels of information, networks, and mentors associated with the more profitable, male-dominated sectors and businesses within them.** Throughout a firm’s life, the diversity of networks can impact whether an entrepreneur has access to credit, learns about new market opportunities, and acquires the skills needed to successfully operate their businesses.²² Studies of women entrepreneurs in Uganda find that women who work closely with a mentor—often male, and usually a family member—are more likely to transition into higher-profit sectors.^{23 24}

15. **Additional factors that block women from developing growth-oriented enterprises in profitable sectors are related to the failure of existing business development services to address the needs of women-owned firms.** According to an enterprise survey conducted in 2014, MSMEs lacked key skills needed for business growth. Only 28 percent of firms surveyed said they do book-keeping to track revenues and expenses; a mere 10 percent had invested in training for employees; and just 36 percent had access to the internet. Female-owned firms appear to be particularly lacking when it comes to the use of standard business practices. A recent microenterprise survey showed a gender gap of 24 percentage points on an index of adoption of good business practices. Few training courses address the specific challenges of formalizing a business, including meeting tax obligations, preparing proper records, fulfilling reporting requirements, and obtaining licenses. Training tends to focus on limited topics, such as financial or computer literacy, but leaves out training in life skills and support for network. Yet, global evidence demonstrates that developing socio-emotional skills, through psychology-based trainings, are as important to enterprise success as strengthening business skills.²⁵ Finally, many business development services continue to train women for sectors where women-owned firms are over-represented, such as small trade or food service, rather than where they could diversify their business and earn higher profits.

¹⁹ Delecourt, S. and Fitzpatrick, A. 2021. “Childcare Matters: Female Business Owners and the Baby-Profit Gap.” *Management Science*, Vol, 67, No. 7. May 13.

²⁰ Uganda Bureau of Statistics (2021). *Uganda Violence Against Women and Girls Survey 2020*. Uganda Bureau of Statics. Kampala, Uganda. This survey was designed as part of the UNHS and drew from UNHS samples which are nationally representative.

²¹ World Health Organization (2021). *Violence against women prevalence estimates, 2018: global, regional and national prevalence estimates for intimate partner violence against women and global and regional prevalence estimates for non-partner sexual violence against women*. Geneva: World Health Organization.

²² World Bank (2019). *Profiting from Parity: Unlocking the Potential of Women’s Business in Africa*. Washington, D.C.: World Bank.

²³ Campos et al. 2015.

²⁴ World Bank, 2022. *Breaking Barriers: Female Entrepreneurs Who Cross Over to Male-Dominated Sectors*. Washington, D.C.: World Bank.

²⁵ Campos, F., Frese, M., Goldstein, M., Iacovone, L., Johnson, H. C., McKenzie, D., and Mensmann, M. 2017. “Teaching personal initiative beats traditional training in boosting small business in West Africa.” *Science*, 357(6357), 1287-1290.



16. **Women also tend to be excluded from sources of finance needed to start and expand businesses.** This is especially true of access to the larger volumes of credit that are required for expansion of firms beyond the smallest levels. According to the ecosystem analysis conducted for the project, the average loan size ranges between US\$280–US\$2,800 with repayment periods of 6–18 months at interest rates as high as 22 percent per a year for women enterprises. Banks and financial institutions are reluctant to give provide larger loans to women due to both demand-side and supply-side constraints. With respect to demand-side constraints, women entrepreneurs may: (a) lack an established business/managerial track record, (b) have limited experience and knowledge of business finance, (c) have limited access to experienced female business mentors to act as “road guides,” (d) not have material tangible assets (a key borrowing requirement for local banks, and (e) face inherent gender biases. On the supply side, despite being well capitalized and profitable, the microfinance institutions (MFIs) and finance institutions (a) focus on collateral-based lending instead of cashflow-based financing, (b) face regulatory constraints in financing micro and small enterprises, and (c) incur high costs of lending and monitoring relative to the size of loans. To unlock the flow of finance required by women entrepreneurs to scale their enterprises, the systemic barriers that MFIs and financial institutions face need to be addressed. It is an imperative that GROW, in partnership with the Private Sector Foundation Uganda (PFSU), works with a limited pool of motivated local financial intermediaries that that see women entrepreneurs as core to their future client base.

17. **Lack of access to infrastructure—particularly infrastructure that accommodates women’s needs—is one of the biggest obstacles preventing women-owned MSMEs from growing their businesses.** The Uganda Enterprise Survey for 2014 found that infrastructure was the most important constraint, with 33.4 percent of firms ranking it as the biggest obstacle.²⁶ This includes poor road and transport infrastructure, poorly maintained markets and trading centers, and unreliable electricity and internet services, among others. A rapid assessment of common-user facilities for entrepreneurs recently supported by the State House and the Ministry of Local Government (MLG) found that that there was significant opportunity to improve the gender inclusiveness of these existing facilities and establish multi-purposes service and production facilities. Access to childcare infrastructure is a particularly critical constraint for women entrepreneurs. Studies indicate that only about 17 percent of women make use childcare services.²⁷ The National Child Policy of the Ministry of Gender, Labor, and Social Development (MGLSD) estimates that the national average is less than 10 percent, and that refugee women do not benefit from what limited facilities exist.²⁸ The challenges are quite distinct. In rural areas childcare infrastructure is limited. Whereas in urban areas services exist, but demand outstrips supply and prices are too high for women entrepreneurs with micro or small enterprises.

18. **Doubly excluded, refugee women face barriers to starting and growing businesses, compared to refugee men and to Ugandan nationals but also represent an underutilized source of economic resilience and entrepreneurship.** Lack of local language proficiency; unregulated informal labor environments; limited access to arable land, inputs, and information for farming or to support climate resilient agriculture; and insufficient and unsuitable education and work experience all create barriers to refugees’ integration into the labor market.²⁹ Ownership and use of a bank account in Uganda in 2017 stood at 66.1 percent for men and 52.7 percent for women.³⁰ by contrast, access to financial services for refugees is limited, particularly in the West Nile region, where only one in five refugee households have a loan and less

²⁶ Uganda Enterprise Survey. 2014.

²⁷ Oxfam (2016), Factors and Norms Influencing Unpaid Care Work: Household Survey Evidence from Five Rural Communities in Colombia, Ethiopia, the Philippines, Uganda, and Zimbabwe.

²⁸ Government of Uganda (2020), National Child Policy, p 19.

²⁹ World Bank. 2020. Uganda Market Solutions for Forced Displacement. Economic Opportunities for Host Communities and Refugees.

³⁰ Global Findex indicators, 2017.



than one in ten refugees receive any form of credit.³¹ Lack of national identification, distance to services, and charges and fees present significant barriers to accessing financial services, especially for women.

Programming Gaps for Supporting Women Entrepreneurs with Growth Potential

19. **The delivery of enterprise support services is fragmented and rarely customized to the needs of female entrepreneurs.** There are multiple enterprise development service providers available across the country, including business development services, skills and training, incubation services, and digital literacy and digitalization initiatives. A range of private firms, government institutions, nongovernment organizations (NGOs), and civil society organization (CSOs) provide these services in both rural and urban areas, but particularly in urban centers. However, these services are fragmented, difficult to access, and often delivered using methods and at times not amenable to female entrepreneurs, according to an ecosystem assessment and consultations with entrepreneurs. The support is usually delivered with limited linkages between financial/credit services and skills support. There is a lack of women-focused business development services at a national scale. Most business skills trainings focus on a few districts/regions or are targeted at building capacity of formal training institutions. Those which target individual women and youths are occasional and short-term. There are limited enterprise development services that support creation of networks and platforms for women entrepreneurs, which is an important vehicle for market access, technological innovations, knowledge sharing, and peer to peer learning.

20. **There is a programming gap to support female productivity and growth-oriented entrepreneurs.** The government has helped women start the smallest-size businesses, particularly microenterprises through initiatives such as its Uganda Women Entrepreneurship Program (UWEP). The GoU-funded and MGLSD-implemented UWEP aims to improve access to financial services for vulnerable women and to equip them with skills for enterprise growth, value addition, and marketing of their products and services. The MGLSD's Youth Livelihood Program and Youth Venture Capital Fund take a similar approach but does not target women. The government, through the Office of the Prime Minister has also targeted women for livelihoods support and micro enterprise development under the Northern Uganda Social Action Fund (NUSAF 3) Project (P149965) and Development Response to Displacement Impacts (DRDIP) Project (P152822). In addition, multiple international organizations have promoted group-based models for women's economic empowerment (WEE) in Uganda, with demonstrable success. The International Rescue Committee and CARE International have supported Village Savings and Loans Associations (VSLAs) for more than a decade. Women's empowerment collectives, a similar group-based model supported by the Bill and Melinda Gates Foundation, is also growing in Uganda. New initiatives, such as the Parish Development Model (PDM), will concentrate on see women in subsistence agriculture. GROW will therefore support women entrepreneurs with the growth potential to improve productivity, sustainability and transition their enterprises from micro to small and from small to medium. It will also complement the World Bank-financed Investment for Industrial Transformation and Employment Project (INVITE, P171607) that will aim at mitigating the effects of COVID-19 on private sector investment and employment and to support new economic opportunities in refugee and hosting communities, particularly in the trade and industrial sectors.

C. Relevance to Higher Level Objectives

21. **The proposed project will contribute to the goals of the GoU's NDP III covering 2020/2021 to 2024/2025.** The NDP III recognizes that reducing gender inequality across the lifecycle is important to achieve sustainable inclusive, and green growth. It explicitly calls for "promoting women's economic empowerment, leadership and participation in

³¹ World Bank. 2019 Informing the Refugee Policy Response in Uganda: Results from the Uganda Refugee and Host Communities 2018 Household Survey (English). Washington, DC: World Bank.



decision making through investment in entrepreneurship programs and business centers.” The NDP III’s focus on key growth sectors aligns well with this project’s goal to create tailored products (financial and capacity enhancing) following a value chain analysis of key growth sectors in which women are active. The project also aims to holistically tackle some of the structural barriers hindering the growth of women-owned businesses including financial inclusion, business development services, infrastructure and promoting community mobilization and mindset change to ensure effective participation of women in the development process.

22. **The proposed project aligns with the World Bank Group (WBG) Country Partnership Framework (CPF) for Uganda (FY2015–2021, Report No. 101173-UG) discussed by the Board on April 21, 2016 and extended through the Performance and Learning Review to FY22 (Report No. 157534-UG, dated April 30, 2021).** The CPF recognizes that gender inequality and discrimination in access to economic opportunities and ownership of assets limits efforts to end extreme poverty and promote shared prosperity. The proposed project supports all three CPF strategic focus areas, but particularly removing constraints to female income-earning opportunities, such as limited access to productive assets like land and inputs, addressing social norms that limit women’s time in economic activities and lack of skills and networks that tend to keep women in lower-value activities. The proposed project is consistent with the 2021 Strategic Country Diagnostic that will inform preparations for the upcoming CPF. This emphasizes the need to work toward gender equality as a means of achieving more inclusive growth and poverty reduction within Uganda’s post COVID-19 recovery and includes women’s empowerment as one of four focus areas. Similarly, the 18th edition of the Uganda Economic Update (December 2021) argues for putting women at the center of economic recovery, including women entrepreneurs to move further up the value chain or into other, more profitable sectors, towards greater and sustainable growth.

23. **The project will contribute to all four pillars of the World Bank Group’s Gender Strategy for FY2016–2023.** The project will contribute to: (a) enhancing human endowment by supporting training in topics known to improve the success of women entrepreneurs (component 2), (b) removing constraints for more and better jobs by supporting construction of shared facilities that include child care services and access to digital services (component 3), (c) removing barriers to women’s ownership and control of assets, through support for access to finance (component 1), and (d) enhancing women’s voice and agency by boosting women’s incomes (all components). The project also aligns with WBG’s Climate Change Action Plan (CCAP FY2021-2025) by boosting financing in support of adaptation and resilience, and the World Bank Action Plan on Adaptation and Resilience (June 2021) and its focus on social resilience.

24. **In addition, the project is centrally aligned with two of the five International Development Association (IDA) 20 special themes: Gender, and Jobs and Economic Transformation:** The Jobs and Economic Transformation theme focuses on a green, resilient, and inclusive recovery from COVID-19 to create more and better jobs for people. The GROW project aims to create more and better jobs specifically for women. The project also supports the upgrading of skills and technology. It is squarely aligned with the IDA special theme on gender and COVID-19 recovery, by removing barriers to women’s ownership of and control over assets and enhancing women’s voice and agency, through among other measures setting up systems for the prevention of and response to Gender Based Violence (GBV).

25. **The project specifically supports the IDA19 Window for Host Communities and Refugees (WHR) goals.** The project aims to foster creation of social and economic development opportunities for refugee and host communities to facilitate sustainable solutions to protracted refugee situations including through sustainable socioeconomic inclusion of refugees in the host country. This will help to mitigate the spill-over effects of conflict, a goal of the World Bank’s Fragility, Conflict, and Violence Strategy FY2020-2025 (February 2020).



26. **Uganda has remained committed to its refugee policies promoting integrated socio-economic opportunities for refugees and host communities despite the pressures of COVID-19.** This has seen refugee women productively join the workforce and refugee households diversify incomes away from aid dependence. The project demonstrates substantial policy content by enabling the implementation of policies allowing refugees to work in Uganda and by addressing the priorities identified in the government’s Jobs and Livelihoods Integrated Response Plan for Refugees and Host Communities JLIRP (April 2021, and the Comprehensive Refugee Response Framework (CRRF) in Uganda. The project will implement the gender sensitive JLIRP focusing on the two pillars: (a) enabling entrepreneurial led development and market growth systems; and (b) increasing access to market relevant skills training to enhance employability and job creation. Under the first pillar strategic interventions include: increasing investment in micro and small enterprises and agricultural household enterprises; and strengthening market systems for enabling a business-friendly environment and best practice. Under the second pillar strategic interventions include: increasing accesses and equity to technical and vocational training; and increasing job placement opportunities.

27. **The World Bank, following consultation with the key actors such as United Nations High Commissioner for Refugees (UNHCR),³² has determined that Uganda’s refugee protection framework remains adequate for accessing financing from the IDA19 WHR.** Uganda is recognized globally as having one of the refugee policies most aligned with the Global Compact on Refugees. Not only is Uganda a state party to international or regional instruments protecting refugees but also its laws, policies, and practices are largely consistent with international refugee law, guaranteeing non-refoulement and adequate protection for refugees and asylum seekers. Uganda is also implementing the CRRF in accordance with the New York Declaration for Refugees and Migrants that is guiding and framing all refugee-related activities. These combine with the aim to ensure that the refugee response provides support to both refugees and RHDs, putting them on a path to self-reliance and by bridging humanitarian and development ways of working. Uganda has reiterated its ongoing commitments to refugee protection in the context of COVID-19 in Uganda’s Strategy Note on Support to Refugees and RHDs. Since initial eligibility to WHR resources, Uganda has been implementing Refugee and Host Community Sector Response Plans for education; health; water and environment; sustainable energy; and jobs and livelihoods, with a draft being developed for private sector engagement.³³ The World Bank has supported the implementation of these Plans with WHR resources in IDA18 and IDA19.

II. PROJECT DESCRIPTION

A. Project Development Objective

28. The Project Development Objective (PDO) is to increase access to entrepreneurial services that enable female entrepreneurs to grow their enterprises in targeted locations, including in host and refugee districts.

29. The proposed PDO-level indicators are:

Beneficiaries with access to services

- Beneficiaries reached with non-financial entrepreneurial services (number, disaggregated by gender and refugee status)
- Beneficiaries reached with financial services (number, disaggregated by gender and refugee status)

³² Based on the Uganda Refugee Protection Assessment Update 3 –February 25, 2022.

³³ This includes: The Education Response Plan for Refugees and Host Communities in Uganda (September 2018), The Health Sector Integrated Refugee Response Plan 2019-2024 (January 2019), the Water and Environment Sector Refugee Response (April 2020).



- Total project beneficiaries (number and percent women, disaggregated by gender and refugee status)

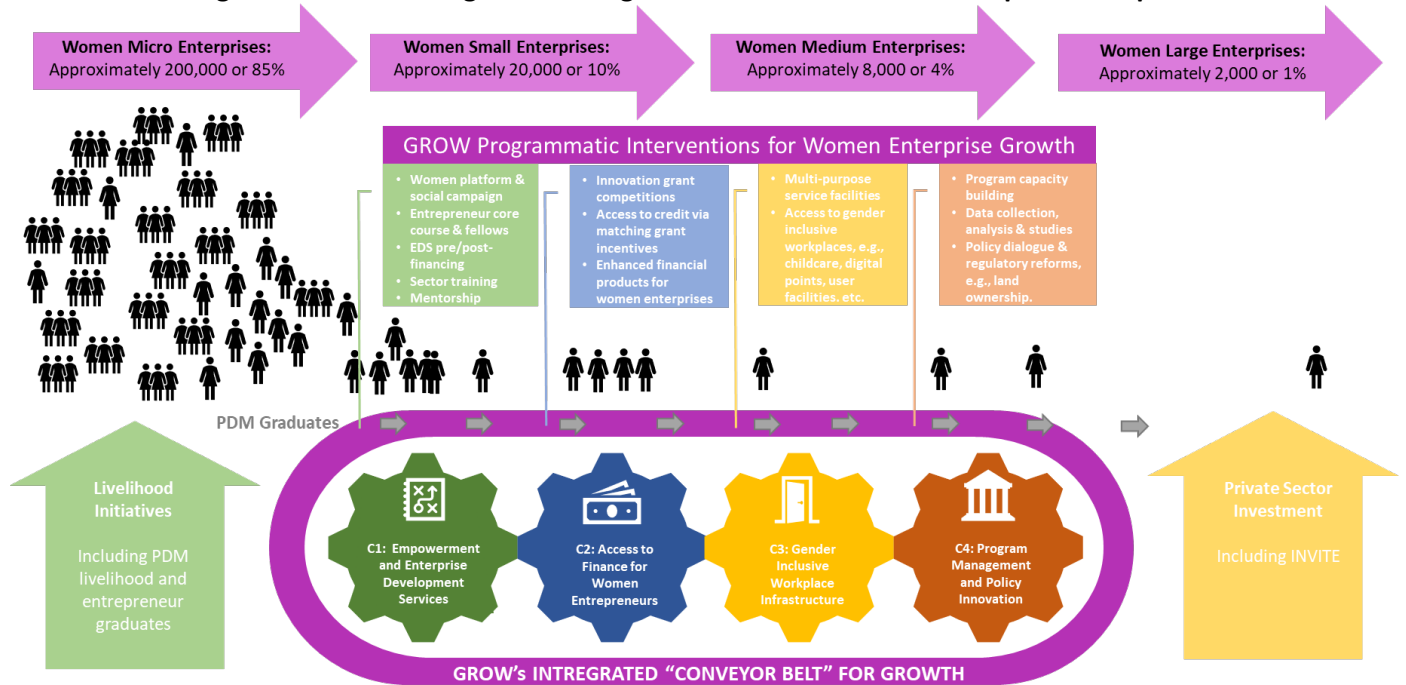
Enable women entrepreneurs to grow their enterprises

- Value of credit provided to women enterprises (amount, disaggregated by gender and refugee status)
- Beneficiaries of job-focused interventions (number, disaggregated by gender and refugee status)

B. Project Components

30. The project will support the government to establish an integrated program of customized services that empower women entrepreneurs to grow and transition their enterprises from micro to small and from small to medium as well as improve their productivity. Component 1 will provide enterprise development services for women through training (technical, life-skills, digital), business advisory services, and enhanced networks for women through platforms that facilitate market linkages and value chain development and seek to change negative social norms that prevent women from engaging in business activities. Component 2 will facilitate access to finance for women entrepreneurs to transition from micro enterprises to small and medium enterprises. This component will address the key constraint of access to larger scale finance for women entrepreneurs to expand their business. Component 3 will support investments in enabling infrastructure and facilities including common-user facilities and childcare facilities to ensure that women have access to economic and social infrastructure. Component 4 will support project management, policy innovation, and evidence generation. These components include host communities and have specialized activities that address the specific needs of refugee women entrepreneurs. Figure 1 below depicts how these components constitute a “conveyor belt” for enabling women to grow and expand their enterprises.

Figure 1: GROW’s Integrated Package of Services for Women Entrepreneurship Growth





31. **GROW will adopt a phased approach to establishing and scaling up component interventions that will ensure early disbursement and maximize learning in the first two years.** During the first semester of Year 1, the World Bank will mobilize trust fund resources and collaborate with development partners to deliver technical assistance and capacity building support to the MGLSD, the PSFU and the implementing partners to strengthen their readiness and capacity to begin implementation of all components in the first full year after effectiveness (year 2) (for details, see the implementation support plan in Annex 1). Once effective, the MGLSD and the PSFU will immediately begin implementation of components 1, 2 and 3. As noted in Table 1, the MGLSD and the PSFU will prioritize bringing component 1 to full scale to build the pipeline of women entrepreneurs. The MGLSD, the PSFU in collaboration with the Ministry of Local Government (MLG) will also initiate implementation of components 2 and 3 in year 2. Under component 2, the PSFU will focus on identifying an initial set of participating financial institutions (PFIs) and ensuring the financing interventions operate effectively and are ready to absorb the pipeline of women entrepreneurs developed under component 1. Under component 3, the MGLSD in collaboration with the Uganda Investment Authority (UIA) will immediately begin implementing subcomponent 3a in year 2 following finalization of technical assessments during effectiveness. The MGLSD and the MLG will begin execution of the infrastructure upgrades under subcomponent 3 in year 2, with the platforms under component 1 aligning with local government planning processes to identify accessible workplace upgrades in year 1. Table 1 below summarizes the project’s implementation timeframe, including the full transition to a government program approach that could be supported through results-based additional financing.

Table 1: Implementation Schedule

Year	Implementation Priority
Year 1 (fiscal 2022-23)	<ul style="list-style-type: none"> • Program Operations Manual (POM) and all manuals, OPM MoU • Sector, institutional assessments, capacity building • Initiate component implementation
Year 2 (fiscal 2023-24)	<ul style="list-style-type: none"> • Component 1—Building the pipeline of women enterprises • Component 2—Learning • Component 3—Identification
Year 3 (fiscal 2024-25)	<ul style="list-style-type: none"> • Scaling up components 2 and 3. • Preparation for program • Midterm review
Year 4 (fiscal 2025-26)	<ul style="list-style-type: none"> • Full implementation • Transition to government program
Year 5 (fiscal 2026-27)	<ul style="list-style-type: none"> • Full program implementation • Program-based Additional Financing

32. **GROW will use a two-prong strategy to achieving national coverage of its integrated approach.** Some subcomponents will begin with national coverage in year 1. This includes the entrepreneurship core course, the work placement initiative, the business competitions, and the access to credit mechanism. These interventions will accept applicants from all regions and districts. Some subcomponents will, however, phase in geographically with the aim of reaching national coverage by year 3. This includes the women platforms (subcomponent 1a) as well as the gender inclusive infrastructure (subcomponent 3b). For these interventions, the first year of implementation will cover 48 districts (including six RHDs), three per region from all the 16 sub-regions of the

Table 2: District Scale Up (years 1–5)

Year	# Districts Covered	Of which RHC districts
Year 1 (FY22-23)	Effectiveness & Mobilization	
Year 2 (FY23-24)	48	6 (of 13)
Year 3 (FY24-25)	62	8 (of 13)
Year 4 (FY25-26)	146	13 (all)
Year 5 (FY26-27)	146	13 (all)



country and Greater Kampala Metropolitan Area (KCCA). Three districts will be purposively selected from each sub-region (lowest, middle, and highest poverty incidence³⁴) and three districts from the Greater Kampala Metropolitan (KCCA and Wakiso). These criteria will ensure there is sufficient demand from a pool of female entrepreneurs from the least poor districts, while at the same time supporting female entrepreneurs from the poorest districts to benefit. Table 2 shows the geographic expansion of these interventions. GROW will prioritize local sectors in project locations with high growth potential. The women enterprises that will be supported under GROW project are those in the key growth driver sectors that are considered to have the greatest multiplier effect as identified by the Uganda Vision 2040 and the NDP III. These sectors will be prioritized by the profiling analytical study that was conducted to inform the design of GROW and will be further elaborated through local value analysis.

Component 1: Support for Women Empowerment and Enterprise Development Services, including in host and refugee communities (total IDA US\$42 million equivalent, including WHR US\$7.95 million)

33. **This component will focus on supporting enterprise development services and increasing access to social and business networks.** The component will: (a) expand access to tailored packages of personal and enterprise development support for women’s business growth, with a tailored module for refugee needs, (b) expand access to mentorship, social and business networks, and (c) tackle social norms constraining women’s economic participation and productivity through mind-set trainings for women and men, sessions on social norms and engagements with men and wider community. The support will be integrated for refugees and host community members and underpinned by principles of Green, Inclusive, Resilient Development (GRID)—for climate benefits see Annex 4.

Subcomponent 1A: Establishment and strengthening of women platforms, community mobilization, and mindset change (IDA US\$5 million equivalent, including WHR US\$450,000)

34. **The subcomponent will establish a women’s entrepreneurship platform—a multi-stakeholder network of women entrepreneurs, associations, and leaders**—that will provide opportunities for women entrepreneurs (new, start-ups, and experienced) to enhance their skills, expand their business networks, match with sector-relevant mentors, connect to markets and infrastructure, and create an enabling environment for women businesses. Women will be able to engage in the platform through local chapters, digital spaces, and resources accessible to all platform members. The platform will serve as the foundation for engaging communities, identifying beneficiaries, and encouraging women entrepreneurs to participate in various activities supported under the project in an integrated manner. A particular area of focus will be linking women entrepreneurs to trainings on climate resilient livelihoods and Green, Resilient, Inclusive Development approaches. To reach refugee women, local platform chapters in refugee settlements or between refugees and host communities in RHDs will be created or existing ones strengthened. The local platform chapters will encourage membership/participation of emerging and established women business leaders to serve as role models for newly established and young women entrepreneurs and provide spaces and opportunities for women entrepreneurs to enhance their voice and agency in legal and policy processes. For refugees, the local platform chapters will target specific barriers to voice and agency (such as language and specific cultural norms) and the additional barriers women refugees have to business information (such as lack of access to formal business channels, mentors, and inputs). This subcomponent implementation is aligned to the PDM Pillar 5: Community Mobilization and Mindset Change.

35. **The subcomponent will finance:** (a) mobilization costs for the establishment of local platform chapters (20–25 women per platform); (b) establishment of a digital platform for women entrepreneurs and its linkage to other existing

³⁴ The poverty incidence (headcount ratio) figures are based on the Uganda National Household Survey (UNHS) 2019/2020.



platforms in Uganda and the region (that will provide information about business development services, financing, and market information); (c) research on key issues impacting women entrepreneurs issues such as impact of COVID-19 on women businesses, taxation, and the like; (d) seminars, workshops, job/business fairs, and communication campaigns on issues related to, and engage community male champions, women business leaders and parliamentarian to promote women's entrepreneurship, taxation, export certification, financing challenges for women businesses, Green, Resilient, and Inclusive Development (GRID) approaches, and the like; (e) mentoring events with women business leaders; and (f) a national outreach and communication campaign that will promote social norms supportive of women's economic empowerment, prevention and response to violence against women, generate interest and participation in the project, and inform communities about the eligibility criteria and benefits of the project. It will include appropriate messaging and means of communication for women refugees building on the work of UNHCR, the OPM, and their international NGO implementing partners.

Subcomponent 1B: Support for core business development for micro and small enterprises (IDA US\$14 million equivalent, including WHR US\$2.25 million)

36. **This subcomponent will support a core package of training in topics known to enhance success of entrepreneurs of all enterprises.** The content and curriculum of the package will vary depending on whether the transition is from micro to small or small to medium. The MGLSD will contract Makerere University Business School (MUBS) to develop the curriculum and conduct a "Train the Trainers" program on how to effectively roll it out. The MGLSD, the World Bank, and the PSFU will provide inputs to ensure quality. Given the broad geographic scope of the project, the MGLSD will contract multiple trainers/service providers who will provide a standardized training course. Training providers will be selected through a competitive process. In recognition of the psycho-social support needs of refugees, a specialized service provider will be recruited to offer psycho-social support to groups and individuals and provide referrals to other appropriate service providers where available. The core course for micro enterprises transitioning to small will cover standard business practices such as bookkeeping, accounting, auditing, development of business strategies and plans, market research, psychology-based testing that enhance women's socio-emotional skills and encourage an entrepreneurial mindset, and digital skills. The core course for small to medium enterprises will include an advanced curriculum with topics such as procurement certification for applying for government contracts, advanced training on management of human resources, and the like. The courses will be provided in local languages and tailored to the literacy levels of participating women entrepreneurs. In addition, transportation and childcare support will be provided. The core course will also cover social risks and gender barriers that pose constraints for business growth and how women can support one another to prevent and respond to it as well as training and reskilling for women in new technologies applicable for green growth, in line with national strategies for green and inclusive growth.

37. **In RHDs, the enterprise development support and training will be provided in a manner that responds to the average educational attainment levels of the different settlements/district demographic and be designed for women with low literacy and provide opportunities to enhance numeracy skills.** The course will be taught in languages of country of origin. In addition, transportation and childcare support will be provided. The content of the core package of business development training will be tailored for refugee women by providing: (a) a lower literacy model, (b) a tailored attitudinal life skills component, and (c) a component on issues of social cohesion and refugee business rights and regulations.



Subcomponent 1C: Support for trade/sector specific skills (total IDA US\$15 million equivalent, including WHR US\$3.75 million)

38. **This subcomponent will support advanced, sector-specific training (for example, in climate smart agri-business, e-commerce, hotel management, tourism, and others) for women entrepreneurs who successfully complete the core course and want to avail trade specific trainings.** This sector specific trainings will be part of the continuum of enterprise development services provided to women enterprises that have growth potential and want to move to the next stage. The subcomponent will also support women that have existing enterprises and do not necessarily need the core course but would benefit from sector-specific training that allows for value-addition and expansion of their enterprise.

39. **The PSFU will implement this subcomponent.** The subcomponent will finance the activities of operational and management cost of the PSFU, communications campaigns for launch of the specific trainings, selection of training providers (that will include operational costs, fees of trainers, transportation costs for trainers and beneficiaries, childcare services, and the like), monitoring costs, and establishment of a beneficiary database. The implementation and selection of service providers will be similar to that of the successful Skills Development Fund, implemented by the PSFU under the World Bank-financed education project. In refugee settlements the PSFU will liaise with the OPM and ensure appropriate service providers that can deliver trade-specific trainings within the refugee settlements.

Subcomponent 1D: Women entrepreneurship work placement program (total IDA: US\$8 million equivalent, including WHR US\$1.5 million)

40. **This subcomponent will support promising women entrepreneurs through work-based learning to enable them to break the skills barriers that hinder them from operating in male-dominated high-quality sectors.** This will be a pathway for enterprise development support for women entrepreneurs that focuses not only on skills training but experience and exposure to the sector-specific dynamics, contacts, and requirements of specific sectors. Using the existing Uganda National Apprenticeship Framework which the Cabinet approved in August 2018, the subcomponent will expand women's access to apprenticeship and facilitate work placement in high-demand careers across a range of industries including in fields where women are traditionally under-represented, such as science and technology, manufacturing, engineering/construction, and oil and gas. This subcomponent will also support the refugees and host communities in skills acquisition to enhance their employability and transition to jobs in sectors that are male dominated. The program will be demand based, ensuring that the women and girls to be enrolled in the program are matched with apprenticeships that fit their areas of interest and qualifications. It will also include activities to enable a conducive environment for young women to work.

41. **The MGLSD will lead the implementation of this subcomponent.** The MGLSD will work closely with the PSFU, which will be responsible for mobilizing enterprises to provide opportunities for apprenticeship. The MGLSD will build capacity and seek technical assistance in supplementing the internal capacity to manage the work placement program and fully transform it as a ministry program. The subcomponent will finance: (a) provision of stipends to apprentices; (b) operational and management costs (including assessment of selected firms in specific fields, communication campaign, selection of women for work placements, selection of enterprises, monitoring and the like), and (c) provision of safety equipment to the participating enterprises to ensure that they comply with occupational safety and health standards.



Component 2: Access to Finance for Women Entrepreneurs (total IDA US\$90 million equivalent, including WHR US\$16.2 million)

42. **This component will support access to finance for women entrepreneurs to transition from micro enterprises to small and medium enterprises.** This component will address the key constraint of access to larger-scale finance for women entrepreneurs to expand their business. Currently, few commercial financial institutions, such as banks and micro-finance institutions (MFIs) offer women specific financing products, and those that do offer small-scale financing with high interest rates. Together with component 1, this component will simultaneously address the demand and supply-side constraints of accessing finance. Ongoing World Bank-supported projects including those aimed at enhancing access to finance by refugees and host communities will inform how this component is most appropriately tailored in RHDs. See Annex 4 for details on how the financial interventions will integrate support for climate adaptation and resilience.

Subcomponent 2A: Grant support for micro enterprises through business competition (total IDA: US\$20 million equivalent, including WHR US\$4.75 million)

43. **This subcomponent will provide business expansion grants for high-impact businesses that focus on high yielding jobs, women breaking into male dominated enterprises, social enterprises, etc.).** This will provide business expansion grants of up to US\$5,000 - US\$30,000 to women that want to expand into male-dominated sectors such as technology, construction, or want to venture into social enterprises or want to scale-up innovations, including micro-enterprises which are focused on climate change adaptation or mitigation related activities. Grantees will be identified through a business plan competition and will support total of 1,000 enterprises (150 from RHD). The POM will specify the selection criteria. Information on selected candidates will be publicly disclosed to minimize abuse. Within RHDs, weight will be given to enterprises that employ or are managed by refugees. This subcomponent will finance the grants, monitoring, and the like. The tranches will be conditional on verification by the management firm that the selected woman enterprise remains in operation and are implementing their business plan.

Sub-component 2B: Facilitating access to credit for enterprise growth (total IDA: US\$35 million equivalent, including WHR US\$9.95 million)

44. **This subcomponent will support women entrepreneurs, including refugees and women entrepreneurs from host communities, to meet the capital needs for business expansion and growth.** It focuses on GROW's core beneficiary target groups: graduates of livelihoods programs ready to transition from revolving loan funds and savings and credit cooperatives, existing microenterprises with the potential to grow and increase productivity, and small enterprises that need larger loans to grow and expand. This subcomponent will provide a grant facility that incentivizes women to access the credit they need from public and commercial financial institutions utilizing either their existing capital or a credit line provided under the project to the financial institutions under subcomponent 2C, or both. The details of the criteria for financial institutions to be supported under the project will be included in the POM.

45. **The grants will be provided to eligible women-owned enterprises as a package to complement loans offered by the project's PFIs.** The process for the scheme will be as follows:

- Women enterprises will prepare a bankable proposal (with support from the enterprise and skills developed interventions under component 1).



- PFIs will appraise the financing proposal; if the project is considered viable, it will apply environmental and social standards screening procedures established by the PSFU.
- The PFIs will submit a portfolio of proposed loans to the PSFU.
- The PSFU will review the portfolio or pipeline of loans and disburse the corresponding grant amount to the PFIs only after covenants and pre-disbursement conditions have been complied with as specified in the grant manual. The grant amount will depend on the profile of beneficiaries and loan amounts in the portfolio.³⁵
- Each beneficiary contributes 10 percent of the capital needs from existing savings (5 percent for eligible refugee beneficiaries).
- The beneficiary receives a financing package comprised of a grant and loan from the project's PFIs for the remaining 90 percent, with the specific grant and credit percentage depending on the profile of the beneficiary.³⁶

46. **The grant will ensure that women entrepreneurs can access the needed resources to grow their enterprises.** Operating through financial institutions will allow for proper screening and appraisal of business plans and will ensure that the proposed business plans are market-based and viable. The impact of this intervention will be assessed during the initial phase of implementation of the subcomponent.

47. **The eligibility criteria, minimum allocation per district, maximum amount per grant, and operating procedures—including a negative list of activities—will be presented in a grant manual approved by the World Bank.** Positive weighting will be applied in the eligibility criteria to businesses employing refugees. This subcomponent will complement other projects and program designed to avail credit and will build on the experience of other projects and programs and coordinate with projects such as the World Bank-financed INVITE project. GROW will coordinate with INVITE to complement business support and financing such as the 'restart loan' line of credit under INVITE that provides one-off loan to microenterprises, including women firms, including in RHDs, to enable them to restart or continue their operations post COVID-19. It will also draw on the technical and implementation experience of the World Bank-financed Socio-Economic Inclusion of Refugees and Host Communities in Rwanda Project (P164130), which is currently using the performance grant mechanism to meet the business financing needs of refugees and host communities in Rwanda.

48. **PFIs selection and due diligence.** The PSFU will select financial institutions to implement subcomponent 2B and 2C based on a rigorous due diligence assessment. The assessment will include each PFI's policies, governance structures, capital position, and portfolio performance. Government-supported PFIs will be eligible to participate. In addition, the PFIs are expected to partner with local experts in business development services, accelerator, and business competition models. The selection of the PFIs will be subject to the World Bank's review and no objection prior to the finalization of agreements and will be a disbursement condition for this subcomponent. The key criteria for selecting the PFIs will include:

- Commitment to developing women entrepreneurs as a core customer base.
- Governance and management structures adequate to oversee and manage the grants.
- Adequate levels of capitalization to finance the credit component of the performance grant mechanism.

³⁵ The specific grant and credit percentages that apply to the beneficiary types and their financing needs will be specified in the grants manual and determined based on financial sector analysis conducted during the effectiveness period.

³⁶ It is proposed that the beneficiary signs a financing agreement with the PFI for the balance (90 percent, or 95 percent for refugees), with the agreement specifying the portion of the loan to be financed from the grant, which will serve to automatically reimburse the balance of the beneficiary's loan exposure per the financing agreement (with the amount ranging from 10 to 35 percent depending on the profile and financing needs of the beneficiary). The process, thresholds and eligibility criteria will be specified in the grant manual.



- Access to a suite of sector-specific skills and post-financing support for women entrepreneurs.
- Appropriately broad geographic branch coverage, including ability to reach RHDs and refugee populations.
- Technical capacity to operate in high-growth sectors as identified by the refugee and gender sensitive value chain assessment (to be conducted during the effectiveness period).
- Willingness/capacity to develop financing products specific for women entrepreneurs at an early stage of their growth and target the specific needs of refugee women entrepreneurs.
- Ability and commitment of the PFI to use the funding support and operating mechanism developed under component 2C to increase their capacity to sustain an ongoing capability to provide financing to women entrepreneurs.

Subcomponent 2C: Sustainable loan products and processes for women entrepreneurs (total IDA US\$35 million equivalent, including WHR US\$1.5 million)

49. Under this subcomponent, GROW will address the supply-side constraints that financial institutions participating in the project face in meeting the credit needs of female entrepreneurs. The PFSU will be the main implementing agency responsible for subcomponents 2B and 2C, with the MGLSD playing an important oversight role. The sub-component will consist of two main activities:

- (a) **Line of credit/partial credit guarantee.** To ensure sustainability, the sub-component will support establishment of a partial credit guarantee or line of credit to women entrepreneurs. The partial credit guarantee will share the risks associated with new lending to women entrepreneurs on a proposed 50/50 basis with tier I, II, and III PFIs that meet eligibility requirements. The line of credit or partial credit guarantee will be assessed during effectiveness, developed in the first year of implementation, and operationalized in the second year.
- (b) **Women loan product and process development.** In addition, the sub-component will support selected PFIs to improve their loan products and credit processes for women entrepreneurs. The funding for this activity will be provided as grants as part of their agreement for implementing subcomponent 2b. The final investments in supply-side constraints will be specified in the partnership agreement and be informed by the assessment of the financial sector conducted during the effectiveness period as well as the rigorous assessment of the PFIs conducted as part of the selection process (Annex 3). The technical support made available to the selected PFIs to implement mechanisms and business tools to improve products and processes will include the following:
 - *Strengthening risk assessment and management skills.* Establish dedicated risk management resources and staffing to: (a) prioritize women entrepreneurs, and (b) streamline loan underwriting and management processes. Develop improved data systems for loan generation, loan compliance, monitoring, and reporting.
 - *Training on cash flow and trade finance-based financing.* Develop products such as receivable-based financing and operating leases. Develop PFI's risk management teams' capacity to assess and lend against the cash flows generated by the business. Integrate insurance products into the loans.
 - *Application of digital tools and tech-enabled methodologies.* Make use of artificial intelligence, data systems, and risk analytics to better assess and measure repayment performance and risk associated with women entrepreneurs and reduce costs. Support the development and testing of PFI psychometric tools building on



the learnings of the World Bank financed Ethiopia Women Entrepreneurship Development Project (P122764) that piloted this work with refugees that lacked capital.

- *Mobile, branch, and agent accessibility.* Reduce barriers for women to access finance by developing mobile loan application tools and mobile money solutions. For in-person loan processing, provide improved facilities in the branch and agent network that specifically cater to women entrepreneurs. Train network agents to support women loan applicants.

Component 3: Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition (total IDA: US\$70 million equivalent, including WHR US\$13.5 million)

50. **Component 3 will finance investments in infrastructure and facilities that address constraints women face in expanding and growing their MSMEs.** Studies from Uganda, conclude that access to skills, enterprise development, and credit services are not in themselves sufficient for women to grow and improve the performance of their enterprise.³⁷ In addition, women need access to basic infrastructure and facilities that enable them to reduce the time they spend on household tasks and increase the time they spend on market work.³⁸ The type of infrastructure that helps includes childcare facilities, safe transportation, and inclusive markets. The component will also strengthen female entrepreneurs' participation in local government planning processes and prioritization of infrastructure investments. The infrastructure financed through this activity will integrate climate resilient design or incorporate energy efficiency/renewable considerations. In RHDs, this component will build on the value-chain analyses and market information captured by DRDIP and, through MGLSD's memorandum of understanding with DRDIP, will support priority infrastructure to address women entrepreneur's needs. See Annex 4 on the activities that will ensure the new and upgrade facilities are climate resilience and energy efficient.

Subcomponent 3A: Multi-purpose service and production facilities to boost women enterprise productivity (US\$38 million equivalent, including WHR US\$3 million)

51. **This component will support construction and equipping of Women Enterprise and Productivity Centre comprising multi-purpose training center, incubation center, Information and Communication Technology (ICT) facilities, mentorship rooms,** among others. It will also support construction and equipping of women entrepreneurship training centers hosted by MGLSD and PSFU. These training centers will support the multi-purpose facilities will provide access to training, business development services, ICT and digital access points, and production related services, including workspaces for women MSME. They will also include breastfeeding, childcare, and safe referral facilities. In RHDs, locations will be chosen through community consultations to meet the needs of both refugees and host communities and foster greater social cohesion. In addition, guidelines for adaptative infrastructures and climate resilient building standards that take into account current and future climate shocks and conditions will be considered.

52. **Up to ten multi-purpose facilities will be financed.** The MGLSD will explore partnerships with existing government agencies that support similar multi-purpose facilities. In RHDs these will target the joint needs of refugees and host community members.

³⁷ 2009, 'Are Women More Credit Constrained? Experimental Evidence on Gender and Microenterprise Returns' American Economic Journal: Applied Economics' 1 (3), pp. 1-32; World Bank (2012) World Development Report 2012: Gender Equality and Development. World Bank: Washington D.C.; (2021). 'Childcare Matters: Female Business Owners and the Baby-Profit Gap', Management Science 67 (7), pp 4455-4474;

³⁸ Taryn Dinkelman and L. Rachel Ngai (2022), 'Time Use and Gender in Africa in Times of Structural Transformation', Journal of Economic Perspectives 36 (1), pp. 57-80.



53. **This subcomponent will finance three main activities.** First, the project will finance technical assessments of the technical, operational, and financial elements of proposed facilities, based on articulated demand and user analysis from women entrepreneurs. Second, the project will finance the design and construction or upgrading of ten multi-purpose service and production facilities. Third, it will finance equipment and training for operationalizing the facilities, based on the specifications of the feasibility assessment for each facility. The subcomponent will also support coordination with relevant sector agencies and programs to ensure these facilities have adequate access to energy, water, and internet systems, including the following World Bank-financed projects and programs: the Electricity Access Scale Up Project (P166685), the Integrated Water Management and Development Project (P163782), and the Uganda Digital Acceleration Project (P171305).

Sub-component 3B: Enabling access to gender-inclusive workplace infrastructure (US\$32 million equivalent, including WHR US\$10.5 million)

54. **GROW will adopt a workplace approach to upgrade existing facilities that are close to the premises of women-owned enterprises or which women entrepreneurs use regularly as part of their business activities, such as a market.** This subcomponent will support upgrading of existing markets or high-density workplaces targeting a total of 150,000 women entrepreneurs (including 22,500 refugees and host community members). It will finance the upgrades in: (a) childcare facilities including construction, rehabilitation or upgrading, provision of equipment, training, and capacity building; (b) digital access points; (c) sanitary facilities and breastfeeding spaces; and (d) utility and safety upgrades. Local governments will work closely with the OPM in RHDs through refugee and host community consultations to identify priorities for facility upgrades in alignment with district development plans and considering adaptive infrastructure and climate resilient building standards.

55. **The subcomponent will also support coordination with relevant sector agencies and programs to ensure that the facilities have adequate access to energy, water, and internet systems.** Through component 1, it will also support women enterprises to establish social enterprises and public-private partnerships to manage these facilities where appropriate.

Box 3: Gender Inclusive Workplace Infrastructure: Existing Facilities Accessible to Women

An assessment of priority infrastructure for women entrepreneurs found that many public and common user facilities, such as markets, common production facilities, schools, and the like are not gender inclusive. While these facilities are accessible to women and their enterprises, they lack childcare facilities, bathrooms, breastfeeding spaces, and adequate lighting.

- **Markets.** There are about 102 markets in Kampala and about 2,000 rural markets across Uganda; in Kampala fewer than ten new markets are known to have childcare facilities and rural markets do not have childcare facilities.
- **Common production facilities.** An assessment of 26 common-user facilities established by State House found that none included access to childcare, bathrooms, and adequate lighting, critical constraints to their active utilization by women.
- **Industrial parks.** Of the 25 proposed industrial parks in various parts of the country, UIA currently operates nine public industrial and business parks, none of which provide access to childcare facilities.

56. **Demand articulation and selection criteria.** Demand articulation and technical sector partnerships will be critical to ensuring the sustainability and complementarity of the infrastructure investments. The project will therefore utilize the PDM's and other infrastructure identification process and the regular local government planning process to ensure alignment with priority infrastructure and facilities in consultation with women entrepreneurs and their communities. In RHDs, this will be complemented by DRDIP learning and market information. This will ensure that all activities financed



by the project align with local needs. The process will be detailed in the POM and work through the women entrepreneurship platforms established and/or strengthened under component 1.

57. Investment proposals will be assessed against the following eligibility criteria:

Table 3: Selection criteria for investments under component 3

Criteria	Eligibility description
<i>Demand-driven</i>	The facility is prioritized by women entrepreneurs participating in the entrepreneurship platforms.
<i>Annexed to existing common-user facility with available land or space</i>	The subproject has access to land or space from an existing common-user facility, for example, market, school, cultural, faith-based facilities, and the like.
<i>Shared benefits for host community and refugee women enterprises (RHDs)</i>	Both groups will be engaged to select investments and to ensure ongoing operation and management of the facilities is carried out to foster social cohesion.
<i>Addresses concerns of marginalized groups</i>	The subproject must be accessible to persons with disabilities.
<i>Long-term sustainability</i>	The government (district or national) guarantees operations and maintenance to ensure sustainability, with budget and staffing. The possibility of charging for some key activities will be explored.
<i>No significant adverse negative social or environmental impacts</i>	The subprojects do not have potential adverse social and environmental impacts.
<i>PDM integration</i>	The subproject is identified through a women’s entrepreneur forum that is part of and incorporated into the PDM planning process (PDM Pillar 2).
<i>Consistent with subcounty, district, and regional investment plans as appropriate</i>	The subproject is identified as a priority in the subcounty development plan, the district development plan and relevant regional or subregional investment plans (including subregional industrial zone as appropriate).
<i>Gap-financing, not substitution</i>	The proposed subproject fills an existing gap but does not substitute for other available sources of funds.

58. Implementation. The MGLSD will implement this subcomponent in collaboration with the MLG, district governments, facility management committees (for example, market management committees) and women entrepreneurship associations in the various regions to outsource service providers. Local governments will also lead identification and prioritization of infrastructure/facility needs and enhance women entrepreneurs' meaningful participation in the process as well as oversight during implementation. The implementation of infrastructure subprojects will be supported by the local sector experts at district level who will ensure strict adherence to the sector standards and norms. Market management committees will be responsible for the procurement of service providers, supervision of work in partnership with technical experts from the MLG for quality assurance.

Component 4: Program Management Support, Policy Innovation, and Evidence Generation (total IDA: US\$15 million equivalent, including WHR US\$2.35 million)

59. This component will strengthen the capacity of government institutions to deliver a coordinated and high-quality package of “wrap around support” to the targeted beneficiaries as well as to tackle policy constraints that impede women’s economic empowerment. It consists of two subcomponents: (a) project management support for high-quality implementation; and (b) policy innovation and evidence generation. See Annex 4 for details on how the component’s capacity building and policy analytics will incorporate climate change topics.



60. **Subcomponent 4A: Project management support for high-quality implementation.** This subcomponent will finance the Project Implementation Teams (PITs) at the MGLSD and the PSFU. It will finance capacity building activities, including (a) of the national, district, subcounty, parish, refugee settlement stakeholders and implementation support teams. It will finance the development of key partnerships including of quarterly review meetings for all stakeholders involved in the project at the regional and district levels. The project as part of its Monitoring and Evaluation (M&E) activities will design and develop an MIS that collects and stores detailed data from project applicants during the registration process (i.e., before beneficiaries have accessed any project-financed activities). As indicated in component 1, the MIS is expected to assign a unique identifier to each registered applicant (GROW_ID) that will be shared with the applicant. The MIS will collect information from applicants during registration, such as (a) key contact information, gender, age, marital status, education status, refugee status, employment; (b) business level outcomes such as business partners, business age, monthly profits, number of employees; and (c) access to other programs and loans. The MIS database will be updated as program applicants make use of specific components. The GROW_ID can be entered to update the database with any additional information on services received to ensure the applicant is only registered once. For example, dates of business trainings, service provider, or amount of funds will all be entered into the MIS. This database will help support operations through feedback loops as it can track who is accessing which services in real time. The MIS will also be important in being able to establish a sample of study participants to draw on for an impact evaluation or other learning activities.

61. The project will also support MGLSD's capacity to lead and oversight social risk management. At the national level, this will support capacity building of unit staff, public fora, SRM experts, etc. At the district level, GROW will provide technical assistance on specific areas (Stakeholder engagement, grievance management, management of workers) to government officers based in the districts and relevant government entities (MGLSD, NEMA- Social unit, CDOs, Labour, Gender, Occupational Health and Safety (OHS), and all other government departments that manage social risk in the country), and sub-county staff. Key focus will also be given to building capacity of MGLSD, PSFU and other relevant government institutions, including academia on social risk mitigation.

62. **Subcomponent 4B: Policy innovation and evidence generation.** This subcomponent will finance data collection efforts beyond the information gathered through the MIS and digital delivery platforms), analysis and publication of data from project and non-project datasets on female entrepreneurship, climate resilience and WEE, establishment of a data portal, and research workshops and policy forums on female entrepreneurship and WEE. In addition, the learning agenda could also include the design and implementation of innovative pilot activities within the project to test what works to address the key constraints faced by beneficiaries, including refugees and women living in RHDs. This work will be designed and conducted in collaboration with the World Bank's Africa Gender Innovation Lab as well as other local research institutes and development partners. A research workshop will be held to explore the possibility of including a rigorous impact evaluation of a program component or one or more of the pilot interventions.

63. **Climate change.** Targeting and selection of districts and enterprises will include climate risk and vulnerability criteria. Mapping exercises of existing women's platforms will include climate change-related groups and networks. Communications campaigns and training will incorporate climate change-related topics. A key focus will be on GRID principles, and the provision of training of women in new green growth technologies, in line with national strategies for green growth. Women's networks will be leveraged to facilitate training on climate change as well as peer-to-peer exchange for supporting livelihood resilience and adaptation. Micro and small enterprise business plans will be assessed for climate risks and green growth opportunities. A participatory climate risk assessment will be included in proposals for enabling infrastructure and facilities, and will be a criterion for selection. The climate change awareness and capacity of national, district, and community institutions will be enhanced and climate change will be integrated into the project's



learning agenda. For further details see Annex 4. The Results Framework also includes an indicator relating to the adoption of energy efficient and climate resilience infrastructure under Component 3.

64. **Citizen engagement.** The project will work on strengthening citizen engagement, and all beneficiaries, including refugees are key partners in its implementation. Specifically, the project will utilize the following citizen engagement mechanisms: (a) participatory decision-making and mobilization of women entrepreneurs through support to existing and new women platforms at the village, district, and refugee settlement levels; (b) participatory planning in the design of infrastructure for women; and (c) implementation of a grievance redress mechanism (GRM). The GRM will ensure that queries or clarifications about the project are responded to in a timely manner, and that grievances are addressed efficiently and effectively. The proposed project will further solicit periodic feedback from beneficiaries through beneficiary satisfaction surveys as well as spot checks and includes a results indicator on the percentage of the project’s grievance redress systems that are addressed.

C. Project Costs and Financing

65. **The total project costs are US\$217 million, which is to be financed through an IDA grant including US\$36 million from the IDA19 WHR for host communities and refugees matched with \$4 million from Uganda’s PBA.** See Table 4 for details.

Table 4: Project Costs by Component

Project Component	Cost (US\$ millions)	Of which WHR (US\$ millions)
1. Support for Women Empowerment and Enterprise Development Services, including in host and refugee communities	42.0	7.95
2. Access to Finance for Women Entrepreneurs	90.0	16.2
3. Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition	70.0	13.5
4. Program Management, Policy Innovation, and Evidence Generation	15.0	2.35
Total	217.0	40.0

D. Project Beneficiaries

66. **The primary beneficiaries of the project are the women and their enterprises that receive direct support under the project.** The project aims to reach about 60,000 female owned enterprises (including 3,000 refugee-owned business), about 280,000 women entrepreneurs and their employees (including 42,000 refugees and 14,000 host community members) with a package of assistance, including access to finance, training, business support services, and childcare among others. In total, the project is estimated to benefit almost 1.6 million beneficiaries, including community and household members that benefit from the project’s investments in changing social norms, employees of women enterprises and improved infrastructure and facilities. In addition, the World Bank will ensure that GROW does not duplicate the support envisaged under the INVITE project, which also aims to support small and medium enterprises. The project will also support women in addressing violence and the institutions that serve them through sessions with women entrepreneurs who are part of the platforms. The platforms will include support to adolescent girls’ transition from school



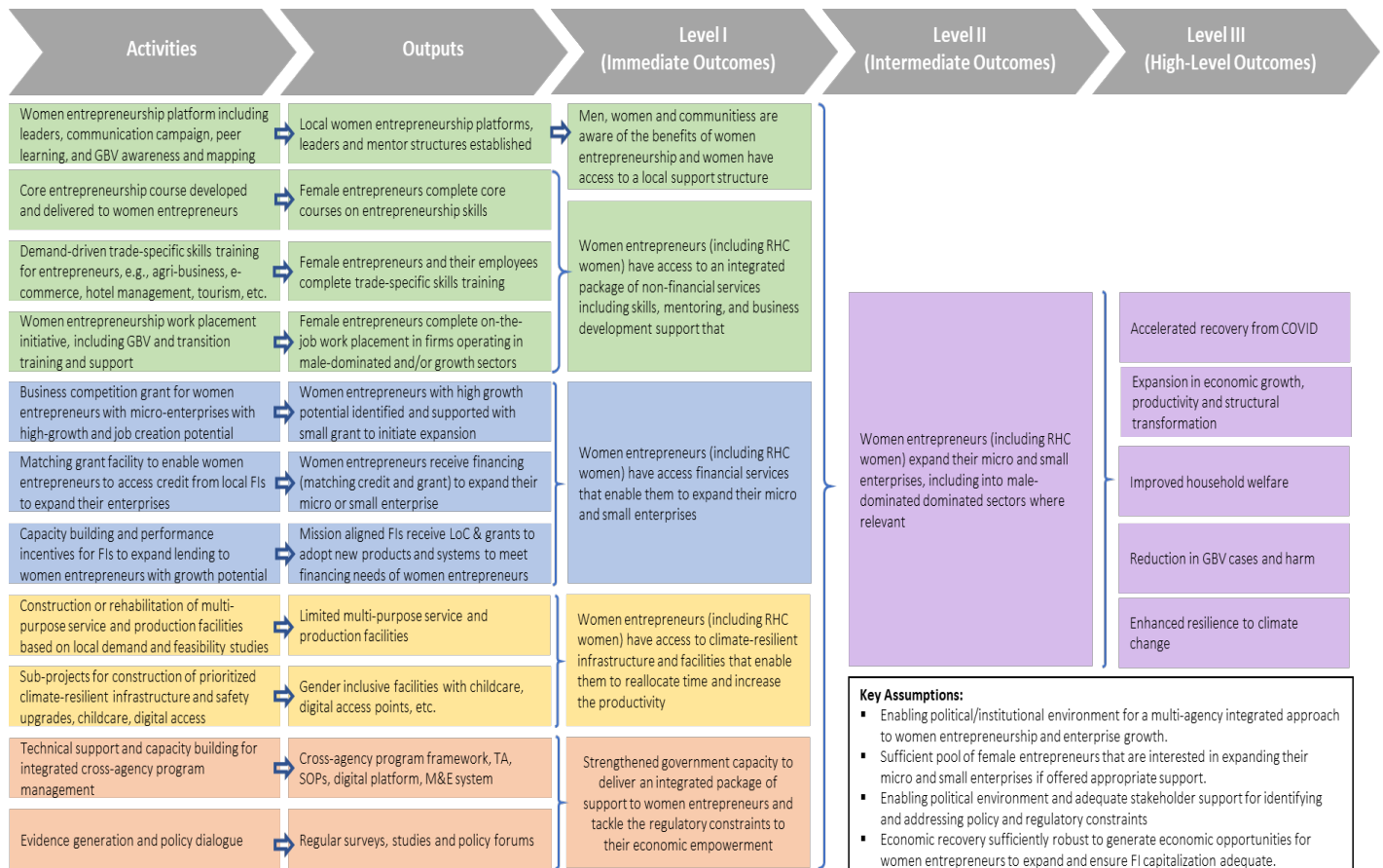
to work. The project will also benefit the families of the women who receive support and the communities in which they live by raising women’s incomes. For details see the beneficiary table in Annex 1.

E. Results Chain

67. The project aims to achieve two key development objectives: (a) increasing access to services that (b) enable female entrepreneurs to grow their enterprises. As summarized in the Theory of Change diagram in Figure 4, the project will achieve these objectives through activities grouped under four components.

The project will contribute to five higher-level outcomes. Supporting women entrepreneurs to expand their micro and small enterprises will contribute to the COVID-19 recovery as well as contribute to enhancing economic growth. The project’s investments in skills and enterprise development support will also contribute to enhancing productivity and, together with the investments in infrastructure, economic transformation by enabling women to re-allocate time from household to market production. The project’s investments in women entrepreneurs, who disproportionately use income for investing in health and education, will also contribute to household welfare. Finally, the project will contribute to increasing women safety and enhancing climate resilience through its investment in safe environments for women and climate awareness, facilities, and networks.

Figure 4: GROW Results Chain





F. Rationale for World Bank Involvement and Role of Partners

68. **The World Bank brings added value to a project of this nature in several ways.** First, the World Bank brings global knowledge and technical capacity on women’s entrepreneurship, community mobilization, enterprise development, and job creation. The World Bank has also undertaken a detailed assessment of opportunities for women to contribute to development through its December 2021 “Uganda Economic Update: Putting Women at the Center of Uganda’s Economic Revival.”³⁹ The World Bank has also undertaken an assessment of gendered impacts of the COVID-19 crisis in Uganda and opportunities for an inclusive and sustainable recovery. Knowledge of what works for women’s economic empowerment will be further strengthened by the involvement of the World Bank’s Africa Gender Innovation Lab, which has experience providing technical advice on women’s entrepreneurship interventions across the region and on building learning agendas into projects to identify the causal impacts of activities for beneficiaries. Second, the World Bank brings implementation experience and cross-country learning from similar World Bank-financed projects including, Nigeria for Women Project (P161364), Ethiopian Women Entrepreneurship Development Project (P122764), and the Zambia Girls’ Education and Women’s Empowerment and Livelihood Project (P151451). Third, the World Bank brings considerable financial resources to the effort, enabling the scaling up of promising initiatives being undertaken by NGOs. Finally, the World Bank with its strong convening power can bring together the knowledge and resources of the development partners and NGOs in Uganda to ensure all work together towards a common objective.

69. **Partners have supported the project design in several ways.** The BMGF prepared various analytical pieces including a mapping of existing programming for women entrepreneurs, which informed GROW’s design. Various local and international NGOs—including The Uganda Women Entrepreneurs Association Limited, the Council for Women Economic Empowerment in Africa, Women of Uganda Network, Zimba Women, CARE, Oxfam, and others working on women’s economic empowerment—have collaborated with the GROW team to ensure the project’s activities complement those of others. The World Bank will engage with development partners through Uganda’s Gender Development Partner Group and the Donor Economist Group.

G. Lessons Learned and Reflected in the Project Design

70. **The project will build on past and present experience related to enterprise development, savings groups and platforms, and strategic investments.** The key lessons that have informed project design include:

- **Providing a package of support involving access to skills and services with access to finance and infrastructure offers the best route to success.** The project will provide such a package of support.
- **High-quality support for providing skills and services is critical to success.** The outsourcing of human and institutional capacity building efforts to competent non-profit and private sector agencies especially for specialized training, mentoring support, and the like has been shown to produce good results.
- **Transparent targeting will increase acceptance of the project.** Following a transparent, simple, and systematic process for community mobilization, sensitization, and beneficiary targeting will help to ensure that people view the selection of beneficiaries as fair.
- **Tailoring interventions for micro and small enterprises improves outcomes.** The business and financial needs for micro enterprises are different than those for small or larger enterprises. Therefore, the kinds of support offered (skills development, financial, and common-user facilities) needs to be tailored accordingly.

³⁹ “World Bank. 2021. Uganda Economic Update, 18th Edition, December 2021 : Putting Women at the Center of Uganda’s Economic Revival.



- **Delivering female entrepreneurship support through local governments will enhance ownership and sustainability.** Formally engaging key local government officials (for example, chief administrative officers and community development officers), and providing training and capacity building support increases local government support for project-financed interventions. Such local government support will enhance the likelihood that an adequate budget for operations and maintenance will be provided.
- **Interventions targeting the needs of women refugees will help them overcome the specific barriers they face.** Experience from other projects shows that providing training in the refugees' primary language and offering training in numeracy can help refugees learn essential skills.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

71. **The government will mainstream implementation of the GROW project into existing structures at the national and local levels.** However, given gaps in institutional and technical capacity identified during preparation, the project will augment existing implementation capacity with additional institutional structures and capacity building support to ensure smooth implementation. Figure 5 below summarizes these institutional arrangements.

72. **The government will establish a Project Steering Committee (PSC) to oversee and coordinate implementation of the project at the policy level.** The Permanent Secretary of the MGLSD will chair the PSC and have overall responsibility for project coordination. The PSC will consist of the permanent secretaries of the implementing agencies (the Ministry of Finance, Planning and Economic Development (MFPED) and the MLG), the Executive Director of PSFU as well as key technical ministries and agencies (the OPM, the UIA, the Ministry of Trade, Industry and Cooperatives). The PSC will liaise with an advisory group that will comprise selected women entrepreneur bodies. The specific roles and responsibilities of the PSC are presented in Annex 1.

73. **The government will establish a PTC to coordinate implementation of the project components at the technical level.** The PTC will be chaired by a Director from the MGLSD and will comprise the key commissioner-level staff responsible for implementation of each component and subcomponent (MGLSD, PSFU, and MLG) as well as commissioner-level staff from agencies with an implementation support role (OPM, UIA, and National Environmental Management Authority (NEMA)). The PTC will coordinate revisions to the POM, monitor project implementation, address any technical issues and challenges that impact implementation of the project, endorse consolidated technical and financial management reports, provide technical guidance on implementation, and escalate to the PSC any policy issues requiring high-level attention. The PTC will include the UNHCR to participate to advise on refugee issues and strengthen coordination with development partners.

74. **Local Coordination Structure.** At the district level, the project will work closely with the district level administration structure and those of refugee settlements. The district implementation support teams will consist of designated government staff and contract staff, depending on the capacity and needs of the district. The district implementation team will be led by a district government official to ensure ownership and sustainability. The project will use the district structure that includes the departments of community development, production, planning, and others. These departments will be supported through project resources to allow them to carry out their responsibilities under the project. The platforms will be the key project interface with the project district implementation support team. Through the platforms the district project teams will conduct project orientation, outreach, and communication to potential beneficiaries, conduct social norm sessions, share market information, and provide information on enterprise



growth opportunities. In refugee settlements, district officials will work closely with the OPM's refugee camp commandants and existing settlement structures.

75. **Local Coordination Structure.** At the district level, the project will work closely with the district level administration structure and those of refugee settlements. The district implementation support teams will consist of designated government staff and contract staff, depending on the capacity and needs of the district. The district implementation team will be led by a district government official to ensure ownership and sustainability. The project will use the district structure that includes the departments of community development, production, planning, and others. These departments will be supported through project resources to allow them to carry out their responsibilities under the project. The platforms will be the key project interface with the project district implementation support team. Through the platforms the district project teams will conduct project orientation, outreach, and communication to potential beneficiaries, conduct social norm sessions, share market information, and provide information on enterprise growth opportunities. In refugee settlements, district officials will work closely with the OPM's refugee camp commandants and existing settlement structures.

76. **The MGLSD will be the overall coordinating ministry for the project and will also be responsible for selecting the target beneficiaries and implementing key project interventions. The PSFU will implement key project interventions and play a critical role in liaising with private sector institutions, including training providers, World Banks, and entrepreneur associations.** The MGLSD will be responsible for accounting for the project funds to the National Parliament. The MGLSD will also establish a memorandum of understanding with the OPM that will enable the project to use DRDIP's implementation structures to implement in RHC districts. This will include providing additional resources to the OPM to increase the readiness of refugee female entrepreneurs to access and benefit from GROW, particularly the local entrepreneur platforms, the core course, and access to finance. The MGLSD and the MLG will support training and technical assistance for local government staff including community development officers (CDOs), commercial officers, and production officers (POs). Table 1.2 of Annex 1 presents the specific subcomponents that the MGLSD and the PSFU will implement, along with its implementing partners.

77. **To augment the capacity of the MGLSD and the PSFU to deliver high-quality interventions to beneficiaries, the project will finance the eligible operational costs of a Project Implementation Team (PIT).** The MGLSD and the PSFU will establish a PIT drawing on government and technical personnel. It will, at a minimum, consist of the following professional staff: (a) project coordinator (MGLSD), (b) deputy project coordinator (PSFU), (c) entrepreneurship empowerment specialist, (d) access to finance specialist, (e) communications specialist, (f) financial management specialist, (g) procurement specialist, (h) environment and social risk management specialist, (i) M&E specialist, and (j) digital specialist. The team will be assigned to work at the MGLSD and the PSFU depending on each agency's implementation responsibilities.

78. **The PIT will include a refugee specialist to support the MGLSD and the PSFU, and to ensure coordination with refugee stakeholders at the national and subnational levels.** They will ensure that the capacity building activities are appropriately delivered in RHDs. The MGLSD refugee specialist will also sit within the Secretariat for the Jobs and Livelihoods Integrated Response Plan (JLIRP) to ensure GROW's close alignment and ability to support implementation of the JLIRP and alignment with Uganda's CRRF. The refugee specialist in the PSFU PST will also coordinate with the INVITE Project Implementation Unit to ensure close alignment of the two projects. Project M&E staff will be responsible for ensuring that appropriate data are collected within refugee settlements in liaison with the OPM and the UNHCR.



B. Results Monitoring and Evaluation Arrangements

Monitoring and Regular Reporting

79. **Objectives and design.** The objective of the M&E system is to track the project's implementation progress and achievement of expected outcomes to enable the government (national and sub-national) and World Bank to address issues as they arise. An integrated web-based data collection platform will be established at the MGLSD into which data on implementation progress and outcomes will be entered to track implementation of project interventions and their outcomes. The MGLSD will contract a consulting firm to design and develop the integrated data platform, which will include an interface that allows the persons responsible for M&E at all implementing agencies to enter monitoring data that they collect.

80. **The MGLSD will lead the overall M&E efforts.** The MGLSD already has an experienced Planning Unit which has been responsible for leading the efforts to track government programs. Staff with specialized skills in (a) survey design, implementation, and analysis; (b) operations and maintenance of management information systems; and (c) data manager; and (d) others as needed will comprise the M&E team at the MGLSD.

81. **M&E teams will be established as members of the PITs at both the national.** They will be responsible for collecting and sharing information presented in the results framework in accordance with the procedures laid out in the M&E monitoring plan, and entering the data into the integrated data platform. Data from each implementing agency will be aggregated with the data of others and used as the basis of quarterly progress reports.

82. **Data generation and reporting.** The data to track the key performance indicators come from (a) project-specific surveys and questionnaires, (b) project service providers (women's entrepreneurship platform managers, trainers, PFIs, facility managers); (c) local governments; (d) consultant reports; and (e) supervising engineers' reports on construction progress. The MGLSD PIT is responsible for preparing the quarterly financial and progress report, consolidating information from each and from the integrated data platform. It will submit the submit quarterly project progress reports to the World Bank, the PTC, the PSC, and to other the stakeholders within 45 days of the end of each quarter. The government and World Bank will prepare a comprehensive midterm review of the project implementation and results in 2024/25, during which the target values will be reviewed and any required adjustments to project design agreed.

83. **Capacity building for M&E.** The project will provide support to strengthen capacity for M&E of the MGLSD and of the national and subnational PITs. Specifically, the project will finance consultants who will work with the MGLSD to prepare a detailed M&E and reporting system plan, provide on-the-job and other training for M&E specialists (at both the MGLSD and other implementing agencies), and provide other capacity support required to establish and operate an effective M&E system. The project will also finance follow-on training and workshops with M&E specialists to ensure that normal staff turnover does not disrupt the M&E effort.

C. Sustainability

84. **The project aims to support female entrepreneurs grow and transform their micro and small enterprises to larger more profitable firms, which should enable many to sustain their operations.** Improvements in firm management due to training, mentoring, establishment of business networking opportunities, access to finance, and access to infrastructure and common-user facilities is expected to increase the overall profitability of firms. Assistance with



creating market linkages through market assessments and value chain analyses during project implementation is further expected to increase enterprise success.

85. **The platform model under component 1 is expected to have spill-over effects on large groups of women that do not benefit directly from the project.** The platform model can be utilized by women entrepreneurs and others in the entrepreneurship ecosystem (from private sector, financial sector, investors, technology companies, and the like) long after the project ends. The platforms of active, engaged, and empowered women across different sectors can be further utilized as a “one-stop” vehicle to deliver future interventions, such as cash transfers and coordinated services targeting women’s safety. Coordinating all project activities through platforms or women’s empowerment collectives has been a key part of project design to ensure sustainability.

86. **Financial support is a bridge to more formal financial services.** The financial support will act as “bridge finance” for micro and small women entrepreneurs and prepare them to transition to market options (for example: the INVITE-supported credit line). The grant portion of the project will allow previously “unbanked” populations such as the extreme poor and refugees to demonstrate that they can use grant money effectively to grow their business and eventually access loans through market sources. The low-interest loans will be designed to ensure competitiveness and introduction of innovations to serve women entrepreneurs (for example using psycho-metric tests in lieu of other sources of credit worthiness) that can be tested through this project and then mainstreamed for use beyond the life of the project. Moreover, competitively awarded stipends for apprenticeships increase lifetime income of small entrepreneurs.

87. **Infrastructure is demand-driven and is nested in local governance institutions.** Infrastructure will be selected by groups of women entrepreneurs to ensure it meets their needs. Some types of infrastructure, such as markets and trading centers, will be sustained through the collection of user fees. The owners of the facilities and infrastructure will explore entering into a partnership with a private firm to manage and operate the facilities.

IV. PROJECT APPRAISAL SUMMARY

A. Economic and Technical Analysis

Economic Analysis

88. **Economic benefits.** The project is expected to contribute to several tangible and positive economic impacts including business development services for women entrepreneurs, access to finance for women entrepreneurs, and access to infrastructure that address time and production constraints of women entrepreneurs and their enterprises. The project is likely to have greater multiplier effects given that it will be implemented as a package. It is also expected to contribute to greater agency of participants as evidenced by higher participation in household decision making and autonomy over use of income, as well as increased participation in groups (such as self-help groups and other community groups). The concentrated investments in RHDs will see increased positive economic impacts in these districts, broadly accruing equally between host communities and refugees.

89. **Economic analysis.** The project has a positive overall economic benefit with a net present value (NPV) of US\$93.3 million and an economic internal rate of return (EIRR) of 27 percent and discount rate of 6%. It follows that each of the project components has positive NPV and EIRR. Enterprise development services are conducted through training. The training is expected to improve women’s business management skills and shift their mindsets towards entrepreneurship. The provision of grants and loans to women entrepreneurs will meet their financing need and enable them to expand



their businesses. Constraints preventing refugees from accessing financial services are more pronounced, thereby increasing the economic impact that improved access to finance can have in RHDs. Access to infrastructure and facilities, including childcare centers, is expected to increase women’s participation in market-based activities.

Table 5: Overall Economic Benefit of the Project

Components	Details		Overall Benefits
Component 1	Enterprise development services	NPV @ 6%	23.2 million
		EIRR	20.0%
Component 2	Facilitating access to credit to women entrepreneurs	NPV @ 6%	12.5 million
		EIRR	12.6%
Component 3	Access to Infrastructure that address time and production and time constraints	NPV @ 6%	13.4 million
		EIRR	12.0%
		Overall NPV @ 6%	93.3 million
		EIRR	27%

90. **Rationale for public sector provisioning/financing.** The detrimental impact of the COVID-19 crisis on women, together with the potential gains of mobilizing women's economic potential to help drive economic recovery provide strong rationale for public investment in WEE at this time. The private sector is currently unable to generate the scale of jobs that would reinvigorate the Ugandan economy; public investment will help move build a base of women entrepreneurs who can create jobs and boost private sector productivity overall. In addition, the expected social impacts of empowering women economically can be expected to spill over into other key development areas, including health and education.

Technical Analysis

91. **The project includes support for a mix of activities proven to be important to promote women’s entrepreneurship and capacity to engage in green, resilient, inclusive sectors.** The global experience and literature suggest that supporting women entrepreneurs to grow and increase the social and economic impact of their enterprises requires an integrated “wrap around” approach that comprehensively addresses the social, skill, financial, and infrastructure constraints that they face. These are skills enhancement, promotion of social and business networks, access to finance, access to training to locally led climate action and green, inclusive, resilient growth opportunities and access to common-user facilities.

92. **The technical design of individual intervention elements builds on the experience of the MGLSD, the PSFU, the OPM, and the MLG.** All have significant experience with the technical aspects of the project’s interventions. This includes the women platforms and mindset change (both MGLSD and PSFU), business development support (MGLSD and PSFU), work placements (MGLSD), business competitions (PSFU), facilitating access to finance (PSFU) and infrastructure development and upgrades (the MLG, the State House, and the UIA). These agencies have, however, less experience with the technical aspects of a multi-agency program that seeks to deliver an integrated package of support to the target beneficiaries. The technical design of these cross-agency element will require enhanced technical support. This includes the establishment of local entrepreneur platforms, cross-agency digital tools, and a strong cross-agency M&E system. Enhanced technical support for design of the evidence generation and policy innovation activities (subcomponent 4b) will also be required.



B. Fiduciary

Financial Management

93. **A financial management assessment of the MGLSD and the PSFU was carried out.** The objective of the assessment was to determine: (a) whether the participating entities have adequate financial management arrangements to ensure the project funds will be used for intended purposes in an efficient and economical way; (b) that project financial reports will be prepared in an accurate, reliable, and timely manner; (c) that the entities' assets will be safeguarded; and (d) that the entities' financial statements will be audited through arrangements acceptable to the World Bank. The assessment was carried out in accordance with the World Bank Directive "Financial Management Practices Manual, issued (retrofitted) by Operations Policy and Country Services on February 4, 2015" and guidance.

94. **The assessment identified key risks.** These include (a) failure to carry out internal audit reviews—this is a high risk given the number of ongoing activities and spread of operations; (b) frequent movement/ transfer of qualified and experienced staff-finance and accounts; (c) delayed transfer of funds to project implementation level; (d) delayed submission of financial reports; and (e) delayed submission of audit reports. To ensure that the project is effectively implemented, the MGLSD and the PSFU will ensure that appropriate staffing arrangements are maintained throughout the life of the project, timely internal audits are carried out, reports are submitted on time, audits are carried out in a timely manner, proper supporting documentation is provided for all transactions, and strong internal controls are in place.

95. **The conclusion of the assessment is that the financial management arrangements are satisfactory to manage the project and do satisfy the World Bank's minimum requirements under due diligence for Financial Intermediaries.** The system can adequately provide, with reasonable assurance, accurate and timely information on the status of the project. The financial management arrangements for the project have a **substantial** residual risk rating.

Procurement

96. **A procurement capacity assessment of the MGLSD and the PSFU was carried out.** Its objective was to establish whether the procurement systems and structures in place are adequate for implementation of the project. The main procurement risks identified at the MGLSD include: (a) implementation of unplanned activities; (b) diversion of funds from planned activities; (c) non-alignment of the procurement plan with the approved annual budget; (d) payment for deliverables without documentation that supports compliance with contractual obligations; (e) no prior experience with implementation of World Bank-funded projects under the procurement regulations. The PSFU has prior experience implementing World Bank-funded projects. The main risk identified in the agency include: (a) inadequate reporting on contract performance; and (b) procurement delays due to limited knowledge regarding flexibilities in World Bank-funded procurements. Mitigation measures proposed include: (a) preparation of the procurement plan in parallel with the budgeting process; (b) sensitization on key changes in the procurement regulations and available procurement flexibilities; and (c) improved contract monitoring through contract management plans.

97. **Procurement risk with mitigation is substantial** with implementation of the mitigation measures.

98. **Applicable procurement procedures.** Procurement under the project will be carried out in accordance with the World Bank's "Procurement Regulations for Investment Project Financing Borrowers," dated November 2020 (Procurement Regulations), and the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed



by IBRD Loans and IDA Credits and Grants, revised as of July 1, 2016, and other provisions stipulated in the Financing Agreements. Procurement will be undertaken by agencies at the national level.

99. **Project Procurement Strategy for Development (PPSD) has been prepared by the Borrower.** The PPSD guides the Borrower’s engagement with bidders in the procurement of goods, works, and non-consulting and consulting services financed under the project, and sets out market approaches and selection methods to be followed during project implementation. The PPSD also identifies optimum procurement strategies on how fit-for-purpose procurement of activities supports project operations for the achievement of project development objectives and delivery of value for money. Based on the PPSD findings, each implementing agency has prepared a procurement plan for the first 18 months. The procurement plans will be updated at least every 12 months, or as required, to reflect the actual project implementation needs. Each update shall require World Bank approval and will be publicly disclosed.

100. **Systematic Tracking of Exchanges in Procurement (STEP).** The project will use the World Bank’s online procurement system, STEP, to plan, monitor, provide data on procurement activities, establish benchmarks, monitor delays, and measure procurement performance.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

101. **Environment.** Overall, the project will generate positive outcomes through enhancing women’s income, productivity, and household welfare. However, the project will support activities under components 2 and 3 that are likely to generate environmental health and safety risks as well as social risks and impacts. The skills enhancement and training under components 1 and 4 may also to a lesser extent carry environmental health and safety risks and also lead to downstream activities with environmental health and safety risks. Component 2 will provide funds to women to grow their businesses, which could result in small-scale civil works. Infrastructure constructed or upgraded under component 3 are expected to carry relatively moderate environment and social impacts due to their limited scope. However, during construction phase there are risks of noise, dust emission, solid waste accumulation, occupational health and safety, community health and safety, and spreading communicable diseases, including COVID-19. The operation and maintenance of the constructed facilities may lead to moderate environmental risks and impacts related to occupational health and safety and community health and safety arising from the operation of equipment and disposal of solid waste from the facilities operations.

102. **The anticipated small scale of works is not likely to induce labor influx into communities benefiting from the project.** Thus, sexual exploitation and abuse and sexual harassment issues and the spread of communicable diseases will be negligible. Physical and economic displacement are not expected from the construction activities, because they are expected to be carried out on land owned by the government. If affected, vulnerable groups are expected to benefit through the various project’s interventions rather than being negatively impacted. However, a Resettlement Policy Framework will provide guidance in the event of displacement. And a Labor Management Procedure will be included in



the Environment and Social Framework to guide civil works and minimize risks. The project also triggers Environmental and Social Standards (ESS) 9 (financial intermediaries). This will require that each financial intermediary prepares an equivalent of an Environmental and Social Management System to manage the environmental and social risks, with qualified staff to manage such risks hired prior to disbursement of funds to the financial intermediary.

103. **The social risk rating is substantial.** The MGLSD has no experience implementing World Bank-financed projects under the Environment and Social Framework, and will need to build its capacity to manage social risks. It will hire a social development specialist who will oversee social risks of the project. The specialist will also build capacity of the MGLSD and PSFU teams on efficient and effective management of social risks.

104. **Sexual exploitation and abuse/sexual harassment risk rating is moderate.** Sexual exploitation and abuse/sexual harassment drivers, such as labor influx, are expected to be minimal. In addition, the project includes interventions intended to address other drivers within communities, such as social norms and lack of access to financial resources.

105. **Given the high levels of violence against women in Uganda, the project is integrating prevention and response mechanisms in all components.** It will be making use of Uganda's national referral pathway for response. The pathway includes various government entities representing law enforcement, health, education, and other sectors as well as civil society partners. Within the ongoing process of decentralization of services as part of the PDM, services for survivors are also being mobilized at the parish level. As the project rolls out to each new geographic area, a mapping will be conducted that identifies services and facilities, including those in refugee settlements, in order to ensure that the project can effectively connect any survivors with clear, confidential, and survivor-centered channels for women to access response services (health, legal, psycho-social). In addition, all contractors/service providers will be oriented on the World Bank's Environmental and Social standards, including violence prevention and response, to facilitate the creation of a safe and enabling environment for the delivery of the program.

106. **Several ESSs are relevant to the project.** These include ESS1: Assessment and Management of Environmental and Social Risks and Impacts; ESS2: Labor and Working Conditions; ESS3: Resource Efficiency and Pollution Prevention and Management; ESS4: Community Health and Safety; ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement; ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; ESS8: Cultural Heritage; ESS9: Financial Intermediaries; and ESS10: Stakeholder Engagement and Information Disclosure. To guide the management of the potential risks and impacts associated with the project, and in compliance with the requirements of the Environmental and Social Framework and the relevant ESSs, the MGLSD has prepared Environmental and Social Instruments including: (a) Environmental and Social Management Framework (including Labor Management Procedures), (b) Resettlement Policy Framework, (c) Vulnerable and Marginalized Group Framework, (d) Stakeholder Engagement Framework, and (e) Environmental and Social Commitment Plan. All the Environmental and Social Framework instruments were consulted and disclosed on the MGLSD and the PSFU websites on May 6, 2022. These instruments will be included in the POM.

107. **All implementing agencies are responsible for the application and compliance with the Environmental and Social Framework and ESSs.** A capacity assessment will be conducted and a capacity development plan on environmental and social risk management will be implemented for staff of the MGLSD, the PSFU, and the local governments implementing the project. This has been included as part of the Environmental and Social Commitment Plan. To enhance government capacity, the project will finance Environmental Specialists and Social Development Specialists to serve on the PITs of the MGLSD and the PFSU. The World Bank will support capacity building on applicable ESSs.



108. **A GRM will be established and tailored to respond to the needs of the project.** The GRM will be designed and developed by effectiveness, to address concerns and complaints promptly, inclusively, and transparently with no cost or discrimination towards project-affected communities and stakeholders. A grievance redress committee will be put in place starting at the community level, including a clear tier for escalation of cases to the national level, and provided with contact information for reporting through the World Bank Grievance Redress Services (GRS).

V. GRIEVANCE REDRESS SERVICES

109. **Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's GRS.** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and World Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

110. **The overall risk rating of the project is substantial.** This is due to residual risks relating technical design of the project, institutional capacity for implementation, and fiduciary risks. A summary of the key risks and their mitigation measures is provided below.

111. **Technical design risks are substantial.** While the MGLSD, the PSFU and the project's implementing partners have significant experience with the technical aspects of the project's interventions, it has less experience with the technical aspects of a multi-agency program that seeks to deliver an integrated package of support. Mitigation measures including development of a cross-agency POM and digital tools, leveraging of the government's PDM framework, and creation of strong technical advisory groups. The World Bank will consult with donors on establishing trust fund resources to provide enhanced technical support.

112. **Institutional capacity for implementation and sustainability is substantial.** The MGLSD has no prior experience implementing a women's entrepreneurship program at the scale envisaged, has never implemented a World Bank-financed project, and has limited experience leading a multi-agency program requiring strong coordination across national agencies as well as local authorities. Implementation capacity challenges are therefore highly likely to arise. Key mitigation measures include the establishment of robust national-level steering and technical committees, regular coordination meetings at the regional and district levels, the establishment of a PIT to fill critical gaps in the MGLSD capacity, the provision of technical assistance and capacity building support for the MGLSD, the PSFU, and implementing partners, leveraging the experience and capacity of implementing partners (particularly PSFU and OPM), and leveraging the capacity of the private sector particularly the skill and training providers and financial institutions (for example BRAC World Bank, Finance Trust World Bank, and Enterprise Uganda). As noted above, the World Bank will consult with donors on establishing trust fund resources to provide enhanced implementation support and work closely with development partners to leverage their experience and capacity.



113. **Fiduciary risk is substantial.** The MGLSD has no prior experience with the World Bank’s procurement and financial management policies and procedures. Local elite capture and fund leakage is also a risk. To mitigate these risks, the World Bank has undertaken a thorough assessment of the capacity of the MGLSD and of the PFSU and have proposed measures to strengthen capacity. The World Bank will monitor performance throughout implementation and offer continuous guidance to address weaknesses in capacity. The inherent risk is rated high, and the residual risk is rated substantial after mitigation.

114. **Other risk (Gender-Based Violence) is rated moderate after mitigation.** There is a substantial risk that women that seek to grow their business or transition to male-dominated sectors will become vulnerable to gender-based violence. The project includes multiple activities that will mitigate this risk including community-wide awareness raising and the mapping of referral networks, the provision of training, and the construction of one-stop-shop facilities. In addition, women who can earn an income sufficient to support herself and her family has much more freedom to leave an abusive relationship than otherwise. The inherent risk is rated substantial, and the residual risk is rated moderate after mitigation.

115. **Other risk (refugee protection) is rated moderate.** The World Bank, in consultation with the UNHCR, has confirmed in February 2022 that Uganda’s protection framework is adequate for accessing funding under the WHR Uganda is adopting comprehensive humanitarian and development programs aimed at mitigating protection risks faced by refugees, but protection risk has been exacerbated by COVID-19 pressures. There is a moderate risk that Uganda’s asylum space and refugee policies could become more restrictive in response to the strain on services and the natural environment, continuing refugee population growth, COVID-19, and political pressure. Additional refugee specific risks include: limited funding for humanitarian assistance, which has caused reductions in food assistance and livelihood support; the high proportion of women and girls and other vulnerable people within the refugee population which poses specific protection challenges; increasing gender-based violence and suicide rates; challenges to the ongoing allocation of land to refugees; prolonged school closures; and administrative and informal barriers for refugees to access productive employment, finance and market opportunities. For employment creation, social-cohesion risks between refugee and host communities are an important consideration with specific additional vulnerabilities for women’s businesses. This project will also seek to specifically address some of the refugee protection challenges related to gender-based violence and administrative and informal barriers for refugees to access productive employment, finance, and market opportunities. Subcomponents will focus on strengthening and mitigating social cohesion risks drawing from DRDIP lessons. All of these risks are being jointly managed through effective in-country coordination mechanisms which include the UNHCR, the OPM, the MGLSD, the MLG, development and humanitarian partners and other GoU stakeholders under the CRRF Steering Group. The World Bank co-chairs the CRRF Development Partners Group, which provides another effective platform to ensure joint management of these risks. The World Bank will work closely with the UNHCR to continually monitor the protection environment throughout project implementation. The inherent risk is rated moderate, and the residual risk remains moderate after mitigation due to diminishing humanitarian finance.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Uganda

Generating Growth Opportunities and Productivity for Women Enterprises Project

Project Development Objectives(s)

To increase access to entrepreneurial services that enable female entrepreneurs to grow their enterprises in targeted locations, including host and refugee communities

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Beneficiaries with access to services							
Beneficiaries reached with non-financial entrepreneurial services (Number) (Number)		0.00	0.00	140,000.00	180,000.00	230,000.00	280,000.00
Women in RHDs (Number)		0.00	0.00	21,000.00	27,000.00	34,500.00	42,000.00
Refugee women (Number)		0.00	0.00	7,000.00	9,000.00	11,500.00	14,000.00
Beneficiaries reached with financial services (CRI, Number) (Number)		0.00	0.00	1,560.00	8,500.00	18,750.00	28,750.00
Women in RHDs (Number)		0.00	0.00	234.00	1,275.00	2,800.00	4,300.00
Refugee women (Number)		0.00	0.00	78.00	425.00	938.00	1,438.00
Total project beneficiaries (Number) (Number)		0.00	0.00	600,000.00	800,000.00	1,400,000.00	1,600,000.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Women beneficiaries (percentage) (Percentage)		0.00	0.00	50.00	50.00	50.00	50.00
Women in RHD (Number)		0.00	0.00	90,000.00	120,000.00	210,000.00	240,000.00
Refugee women (Number)		0.00	0.00	30,000.00	40,000.00	70,000.00	80,000.00
Enable women entrepreneurs to grow their enterprises							
Value of credit provided to women enterprises (Amount) (Amount(USD))		0.00	0.00	5,500,000.00	33,000,000.00	72,000,000.00	110,000,000.00
Women enterprises in RHDs (Amount(USD))		0.00	0.00	560,000.00	3,600,000.00	7,800,000.00	12,000,000.00
Refugee-owned enterprises (Amount(USD))		0.00	0.00	160,000.00	1,000,000.00	2,100,000.00	3,300,000.00
Beneficiaries of job-focused interventions (CRI, Number)		0.00	0.00	3,000.00	20,000.00	38,000.00	50,000.00
Jobs of enterprises in RHDs (Number)		0.00	0.00	450.00	3,000.00	5,700.00	7,500.00
Jobs of refugee-owned enterprises (Number)		0.00	0.00	150.00	1,000.00	1,900.00	2,500.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Support for Women Empowerment and Enterprise Development Services							



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Women participating in a networking platform supported by the project, disaggregated by age (Number) (Number)		0.00	0.00	20,000.00	60,000.00	130,000.00	150,000.00
Women in RHDs (Number)		0.00	0.00	3,000.00	9,000.00	19,500.00	22,500.00
Refugee women (Number)		0.00	0.00	1,000.00	1,500.00	5,000.00	7,500.00
Women entrepreneurs who complete the core women entrepreneur course (Number) (Number)		0.00	0.00	4,000.00	10,000.00	16,000.00	20,000.00
Women RHDs (Number)		0.00	0.00	600.00	1,500.00	2,400.00	3,000.00
Refugee women (Number)		0.00	0.00	180.00	450.00	720.00	900.00
RHC women who report the core women entrepreneur course is accessible and meets their needs (Percentage) (Percentage)		0.00	0.00	70.00	75.00	80.00	85.00
Women benefiting from trade-specific training under the project (Number) (Number)		0.00	0.00	10,000.00	25,000.00	45,000.00	60,000.00
Women in RHDs (Number)		0.00	0.00	1,500.00	3,750.00	6,750.00	9,000.00
Refugee women (Number)		0.00	0.00	500.00	1,250.00	2,250.00	3,000.00
Beneficiaries supported by the project stating that their involvement in decision-making over household expenditures has increased (Percentage)		0.00	0.00	55.00	60.00	70.00	75.00
Women in RHD (Percentage)		0.00	0.00	55.00	60.00	70.00	75.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Refugee women (Percentage)		0.00	0.00	55.00	60.00	65.00	70.00
Access to Finance for Women Entrepreneurs							
Women microenterprises accessing credit from a formal financial institution (Number)		0.00	0.00	1,500.00	8,000.00	18,000.00	28,000.00
Women small enterprises accessing credit from a formal financial institution (Number)		0.00	0.00	60.00	420.00	800.00	1,250.00
Gender gap between women participating in the project in ownership of and use of bank accounts (Number)		13.40	13.40	12.00	10.00	9.00	8.00
Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition							
Women participating in planning forums supported to identify priority infrastructure (Number)		0.00	0.00	2,000.00	5,000.00	10,000.00	11,000.00
Regional facilities constructed or rehabilitated under the project, including childcare facilities and GBV referral services, operating as planned (Number)		0.00	0.00	2.00	5.00	8.00	10.00
Gender inclusive upgrades under the project operating with green energy systems (Percentage)		0.00	0.00	10.00	15.00	20.00	25.00
Women entrepreneurs and employees benefiting from		0.00	0.00	0.00	50,000.00	90,000.00	120,000.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
access to infrastructure constructed or rehabilitated under the project (Number) (Number)							
Project Management Support, Policy Innovation, and Evidence Generation							
Beneficiary management information system (MIS) established and operating (Yes/No)		No	No	Yes	Yes	Yes	Yes
Number of policy relevant reports prepared under the project (Number)		0.00	0.00	1.00	2.00	3.00	4.00
Number of policy forums on female entrepreneurship and WEE, GBV and behavior change supported under the project (Number)		0.00	0.00	1.00	2.00	3.00	4.00
Percentage of grievances registered in the project's grievance redress system that are addressed (Percentage)		0.00	0.00	70.00	80.00	85.00	90.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries reached with non-financial entrepreneurial services (Number)	This indicator will report the number of beneficiaries	Continuous	Data sources are those	The methodologies are those specific to each	The entities responsible for data collection are



	(including women in RHDs and refugees) who have improved access to non-financial entrepreneur services supported by the project under components 1 and 3.		specific to each service.	service.	those specific to each service.
Women in RHDs					
Refugee women					
Beneficiaries reached with financial services	The indicator measures the number of persons benefited from financial services in operations supported by the Bank, and the number of businesses that benefited from financial services.	Continuous	PFI data	The PFIs will maintain a database of recipients of grants linked to loans.	PSFU to collect the data from the PFIs, and compile and report it.
Women in RHDs					
Refugee women					
Total project beneficiaries (Number)	Project beneficiaries are women entrepreneurs who derive benefits including the (a) platforms and communication campaign, (b) enterprises support services, (c) financial services including improved products for women, and (d) infrastructure facilities,	Continuous.	Various, see next column.	People benefiting from the training will register with either the MGLSD or the PSFU. The PFIs will collect data from enterprises benefiting from the matching grants and products. MGLSD will benefit women benefiting from	The MGLSD will collect the information from the primary source each month.



	including childcare and those community and household members.			the infrastructure facilities.	
Women beneficiaries (percentage)					
Women in RHD					
Refugee women					
Value of credit provided to women enterprises (Amount)	This indicator measures the value of credit provided by the PFIs under the project, disaggregated by refugee status, district, age, and disability status.	Continuous.	PFI data.	The PFIs will maintain databases of the value of the credit disbursed, disaggregated by refugee status, district, age, and disability status.	The MGLSD to collect the data from the PFIs each month, and compile and report it.
Women enterprises in RHDs					
Refugee-owned enterprises					
Beneficiaries of job-focused interventions		Enterprise baseline survey, annual surveys from year 2.	Surveys of enterprises.	This indicator measures the total number of jobs of enterprises benefiting from the project.	MGLSD to administer the surveys, and compile and report the data.
Jobs of enterprises in RHDs					
Jobs of refugee-owned enterprises					

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Women participating in a networking platform supported by the project, disaggregated by age (Number)	The number of women that register with a networking platform.	Continuous	Platform registered users.	Data are collected automatically as people register. Platform managers to report the information to the MGLSD.	The MGLSD will collect the information from the primary source each month.
Women in RHDs					
Refugee women					
Women entrepreneurs who complete the core women entrepreneur course (Number)	The satisfaction of participants of the training courses with the training.	Continuous	Questionnaire.	At the completion of the training, participants will complete a satisfaction questionnaire.	The MGLSD will collect the questionnaires from the service providers and PSFU each month.
Women RHDs					
Refugee women					
RHC women who report the core women entrepreneur course is accessible and meets their needs (Percentage)	The satisfaction of refugee and host community women with the core course on entrepreneurship.	Continuous	Questionnaire	At the completion of the training, participants will complete a satisfaction questionnaire.	The MGLSD will collect the questionnaires from the service providers and PSFU each month.
Women benefiting from trade-specific training under the project (Number)	The number of female entrepreneurs who complete trade-specific	Continuous	Course completion certificates	Service providers will give the information upon course	The MGLSD will collect the information from the service provider and PSFU



	training, disaggregated by age and disability status.			completion to the MGLSD or the PSFU.	each month.
Women in RHDs					
Refugee women					
Beneficiaries supported by the project stating that their involvement in decision-making over household expenditures has increased	Number of women that are empowered in the household sphere. Beneficiaries are the women entrepreneurs that benefit from at least two services supported by the project.	Baseline data when enterprises start, annual surveys from year 2.	Surveys of a panel of women entrepreneurs benefiting from the project.	This will be calculated through annual surveys of enterprises participating in the project.	MGLSD to administer the surveys, and compile and report the data.
Women in RHD					
Refugee women					
Women microenterprises accessing credit from a formal financial institution (Number)	The number of women-owned microenterprises benefiting from finance from a PFI supported by the project.	Continuous .	PFI data.	The PFIs will maintain databases of the enterprises to which they provide credit, disaggregated by social profiles.	The MGLSD to collect the data from the PFIs each month, and compile and report.
Women small enterprises accessing credit from a formal financial institution (Number)	The number of women-owned small enterprises benefiting from bridging finance from a PFI supported by the project.	Annual	PFI data.	The PFIs will maintain databases of the enterprises to which they provide credit, disaggregated by refugee status, district,	The MGLSD to collect the data from the PFIs each month, and compile and report it.



				age, and disability status of firm owner.	
Gender gap between women participating in the project in ownership of and use of bank accounts	The difference between women’s and men’s ownership and use of a bank account.	Annual	Survey of the women benefiting from the project and the men in their communities.	The survey will be administered to a panel of women and men annually using the same questions as in the Global Findex survey.	MGLSD to administer the surveys, and compile and report the data.
Women participating in planning forums supported to identify priority infrastructure (Number)	Participation in the project in forums to identify priority infrastructure.	Annual	Forum attendance sheets.	The sponsors of the forums will ask participants to sign in (in-person events). Virtual participation will be recorded.	MGLSD will collect the data upon completion of each forum and compile the data and present it in quarterly progress reports.
Regional facilities constructed or rehabilitated under the project, including childcare facilities and GBV referral services, operating as planned (Number)	The number of regional multi-purpose facilities constructed or rehabilitated by the project and their operational status.	Annual	Supervising engineers’ reports, project progress reports.	Review of construction progress by local governments, and data from the local government on its operational status.	MGLSD to collect the information from local governments and report the results in quarterly progress report.
Gender inclusive upgrades under the project operating with green energy systems (Percentage)	The number of multi-purpose facilities that are using green energy sources.	Annual	Supervising engineer reports & facility operator reports.	Facility operators to report on use of green energy sources to the MGLSD.	MGLSD to collect the information from facility operators and report the results in quarterly progress report.



Women entrepreneurs and employees benefiting from access to infrastructure constructed or rehabilitated under the project (Number)	The number of women entrepreneurs and employees benefiting from the infrastructure constructed or rehabilitated by the project.	Semi-annually	Estimates by LGs/MGLSD on facility users.	Review of estimates by local governments/MGLSD on the number of users of each facility.	MGLSD to collect the information from local governments and report on the results in quarterly progress report.
Beneficiary management information system (MIS) established and operating	This activity is supported under the project.	Annual	MGLSD to report on the progress.	Review of progress reports, outputs and deliverables.	MGLSD
Number of policy relevant reports prepared under the project	This activity is supported under the project.	Annual	Consultant reports. MGLSD progress reports.	Review of progress reports, outputs and deliverables.	MGLSD
Number of policy forums on female entrepreneurship and WEE, GBV and behavior change supported under the project	This activity is supported under the project.	Annual	Forum invitation, agenda, and materials.	Review of forum documentation	MGLSD
Percentage of grievances registered in the project's grievance redress system that are addressed	This activity is supported under the project.	Annual	MGLSD to report on the progress.	Review of progress reports, outputs and deliverables.	MGLSD

ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Uganda

Generating Growth Opportunities and Productivity for Women Enterprises Uganda Project

I. Institutional and Implementation Arrangements

Overall Approach

1. **The government will mainstream implementation of the GROW project into existing structures at the national and local level.** This will avoid duplication, help ensure sustainability, and increase efficiency of project implementation. However, given gaps in institutional and technical capacity identified during preparation, the project will augment existing implementation capacity with additional institutional structures and capacity building support to ensure smooth implementation and delivery of the “wrap around support” to the targeted beneficiaries, including female entrepreneurs in RHCs.

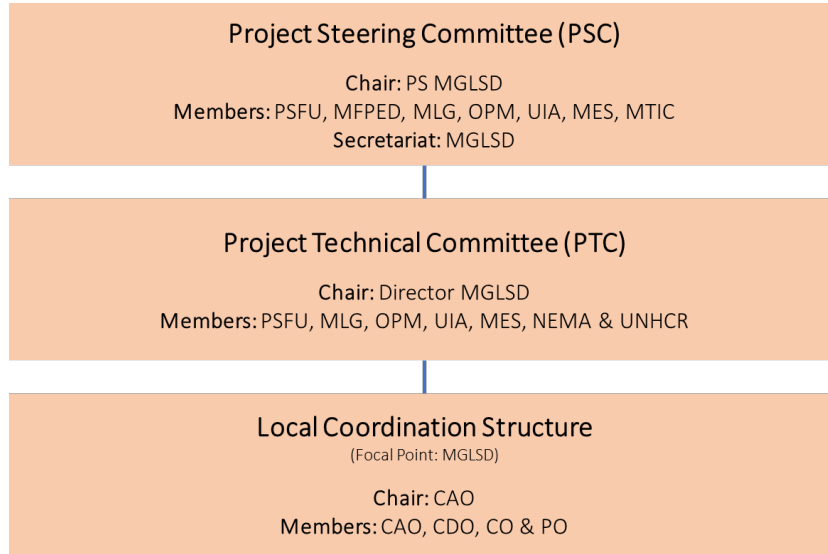
Implementation Coordination

2. **The government will establish a PSC to oversee and coordinate implementation of the project at the policy level.** The Permanent Secretary of the MGLSD will chair the PSC and have overall responsibility for project coordination. The PSC will consist of the permanent secretaries of the implementing agencies MFPED and the MLG, the Executive Director of PSFU as well as key technical ministries and agencies (OPM, UIA, MTIC). The PSC will liaise with an advisory group that will comprise selected women entrepreneur bodies.

3. **The PSC will have the following main roles and responsibilities:** (a) coordinate policy actions among public institutions to facilitate project implementation and promote the growth of female enterprises; (b) provide guidance to the Project Technical Committee and program management teams; (c) oversee the financial risks during implementation and suggest mitigating measures; (d) oversee the project’s grievance redress mechanism and support resolution of safeguard-related complaints as required; and (e) act as the main focal point for interaction with development partners and other stakeholders on behalf of the project. In addition, the PSC will host two annual meetings with the World Bank team to review the project results, discuss key issues, and agree on key milestones over the following six months. The review meeting will be based on a technical review conducted and led by the World Bank team in collaboration with the PTC. The MGLSD will act as the secretariat for the biannual project review meeting and will also be responsible for organizing the meeting, including inviting additional organizations or agencies to the meeting as necessary.

4. **The government will also establish a Project Technical Committee (PTC) to coordinate implementation of the project components at the technical level.** The PTC Chaired with be nominated by the PS MGLSD and will comprise the key commissioner-level staff responsible for implementation of each component and subcomponent (MGLSD, PSFU, and MLG) as well as commissioner-level staff from agencies with an implementation support role (OPM, UIA, NEMA). The PTC will coordinate preparation of and revisions to the Project Operations Manual (POM), monitor project implementation, address any technical issues and challenges that impact implementation of the project, endorse consolidated technical and financial management reports, provide technical guidance on implementation, and escalate to the PSC any policy issues requiring high-level attention. See Figure 1.1 for an overview.

Figure 1.1: Institutional Coordination Arrangements



Implementation Responsibilities

5. **The MGLSD will be the overall coordinating ministry for the project and will also be responsible for selecting the target beneficiaries and implementing key project interventions.** The MGLSD will therefore have overall responsibility for project implementation and accounting for the project funds to the National Parliament. As summarized in Table 5 below, MGLSD will implement the platform mobilization and communication activities (subcomponent 1A), the core female entrepreneurship training and business development support (subcomponent 1B), the work placement initiative (subcomponent 1.D), the business competitions (subcomponent 2A), and the multi-purpose facilities and infrastructure upgrades in partnership with MLG (component 3). Separately, the Permanent Secretary will appoint a commissioner to oversee implementation of the policy innovation and evidence generation initiative (subcomponent 4B). The MGLSD will also establish an MoU with OPM that will enable the project to use OPM’s DRDIP implementation structures to implement in RHC districts. This will include providing additional resources to OPM to increase the readiness of refugee female entrepreneurs to access and benefit from GROW’s subcomponent activities, particularly the local entrepreneur platforms (subcomponent 1A), the core course (sub-component 1B) as well as the bridging finance interventions (component 2).

6. **The PSFU will implement key project interventions and play a critical role in liaising with private sector institutions including training providers, and entrepreneur associations.** Specifically, the PSFU will implement the demand-driven sector-specific and technical training and mentoring support (subcomponent 1C), the complementary grants mechanisms (subcomponent 2B, and the gender financial products support (subcomponent 2C). The MGLSD in partnership with MLG will play a critical role in ensuring local governments actively support implementation of the project and delivery of the wrap around support to beneficiaries as well as implement the infrastructure and facilities component (component 3). MGLSD and MLG will support training and technical assistance for local government staff including community development officers, commercial officers, and production officers. See Table 1.2 for details on the division of responsibilities and relevant implementing partners for each subcomponent.

Table 1.2: Implementing Responsibilities and Partners

Component	Subcomponent	Implementing Agency	Implementing Partners
Component 1: Women Empowerment and Enterprise Development Services, including host and refugee communities	1A: Establishment and Strengthening of Women Platforms & Mindset Change	MGLSD	MLG and OPM
	1B: Support for Core Business Development for Micro and Small Enterprises	MGLSD	MUBS and OPM
	1C: Support for Trade/Sector Skills	PFSU	Enterprise Uganda
	1D: Women Entrepreneurship Work Placement	MGLSD	-
Component 2: Access to Finance for Women Entrepreneurs	2A: Grant Support for Micro Enterprises through Business Competition	MLGSD	OPM
	2B: Facilitating Access to Credit for Enterprise Growth	PSFU	PFIs
	2C: Sustainable Loan Products and Processes for Women	PSFU	PFIs
Component 3: Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition	3A: Multi-Purpose and Production Facilities to boost women enterprises	MGLSD	UIA, Ministry of Trade, Industry, and Cooperatives
	3B: Enabling Access to Gender Inclusive Workplace Infrastructure	MGLSD	MLG and local governments
Component 4: Program Management Support, Policy Innovation, and Evidence Generation	4A: Program Management Support for High-Quality Implementation	MGLSD and PSFU	-
	4B: Policy Innovation and Evidence Generation	MGLSD	OPM

Project Implementation Team

7. **To augment the capacity of MGLSD and PSFU to deliver high-quality interventions to beneficiaries, the project will finance the eligible operational costs of a Project Implementation Team (PIT).** MGLSD and PSFU will establish a Project Implementation Team (PIT) drawing on government and technical personnel that will, at a minimum, consist of the following professional staff: (a) project coordinator (MGLSD), (b) deputy project coordinator (PSFU), (c) entrepreneurship empowerment specialist, (d) access to finance specialist, (e) communication specialist, (f) financial management specialist, (g) procurement specialist, (h) environment and social risk management specialist, (i) M&E specialist, and (j) digital specialist, and (k) M&E specialist and technical specialist such business development specialist. These costs will be financed through component 4a including externally recruited staff to augment internal MGLSD and PSUF capacity. The team will be assigned to work at MGLSD and PSFU depending on each agency's implementation responsibilities (see Table 5) with the sub-team at MGLSD led by the Project Coordinator and the sub-team at PSFU led by the Deputy Project Coordinator who will be nominated by the accounting officer MGLSD and PSFU respectively.



8. The PIT will include a refugee specialist to support MGLSD and PSFU, and to ensure coordination with refugee stakeholders at the national and sub-national levels. They will ensure that the capacity building activities are appropriately delivered within RHDs. The MGLSD refugee specialist will also sit within the Secretariat for the Jobs and Livelihoods Integrated Response Plan to ensure GROW's close alignment and ability to support implementation of the JLIRP and alignment with Uganda's CRRF. The refugee specialist in the PSFU PST will also coordinate with the INVITE PIU to ensure close alignment of the two projects. Project monitoring and evaluation staff will be responsible to ensure that appropriate data is collected within refugee settlements in liaison with OPM and UNHCR.

Subnational Implementation Arrangements

9. At the district level, the project will work closely with the district level administration structure and those of refugee settlements. The district implementation support teams will consist of designated government staff and contract staff, depending on the capacity and need of the district. The district implementation team will be led by a district government official to ensure ownership and sustainability. The project will use the district structure that includes the departments of community development, production, planning etc. These departments will be supported through project resources to allow them carry out their responsibilities under the project. The platforms will be the key project interface with the project district implementation support team. The platforms will be the institutional arrangement that supports implementation of all the projects components. Through the platforms the district project teams will conduct project orientation, outreach, and communication to potential beneficiaries on all the project components, conduct social norm sessions, support to build collect voice and share market information and information on other enterprise growth opportunities. The platforms will have the broader objective to tackle policy and institutional constraints for women entrepreneurs, provide peer learning and mentorship. In refugee settlements, district officials will work closely with OPM's refugee camp commandants and existing settlement structures.

Implementation and Beneficiary Summary

Table 1.3. GROW Beneficiaries of Project Investments

Components	Activities	Potential Beneficiaries	Estimated Number of Beneficiaries
Component 1: Support for Women Empowerment and Enterprise Development Services, including in host and refugee communities (Total IDA: US\$42 million, WHR US\$7.95m)			Total: 255,000 (direct) 1,147,500 (indirect)
Sub-component 1A: Supporting creation and strengthening of women platforms, community mobilization, and mindset change (IDA US\$5 million, including WHR US\$450,000)	<ul style="list-style-type: none"> • Mobilization of women and girls in target districts to establish platforms at district level of new and existing women entrepreneurs. • Setting up a national digital platform for women entrepreneurs • Setting up a database of women-owned/managed businesses • Communication and outreach campaign • Service provider is contracted to conduct sessions on social norms/women safety • Advocacy on policy issues impacting women entrepreneurs 	<ul style="list-style-type: none"> • Women and adolescent girls • Existing women entrepreneurs • Refugee women • Men, male partners, community leaders benefiting from participating in behavior change interventions. • Women business leaders 	150,000 women and adolescent girls Estimated 1,147,500 men, male partners, communities, and household members indirectly benefit from platform and communication campaign



Components	Activities	Potential Beneficiaries	Estimated Number of Beneficiaries
Subcomponent 1B: Support for core business development for micro and small enterprises (IDA US\$14 million, including WHR US\$2.25 million)	<ul style="list-style-type: none"> Design of core course for micro and small enterprises Hiring of training providers Core trainings on bookkeeping, accounting, auditing, business strategies, and socio-emotional skills etc. 	<ul style="list-style-type: none"> Existing women entrepreneurs Young female graduates with interest in entrepreneurship 	20,000 women entrepreneurs
Subcomponent 1C: Support for trade/sector specific skills (total IDA US\$20 million, including WHR US\$3.75 million)	<ul style="list-style-type: none"> Market and value chain analysis Selection of training providers for sector specific trainings Women enterprises receive trainings 	<ul style="list-style-type: none"> Existing women entrepreneurs Employees of women enterprises 	20,000 women entrepreneurs 60,000 women employees
Subcomponent 1D: Women entrepreneurship work placement program (total IDA: US\$8 million, including WHR US\$1.5 million)	<ul style="list-style-type: none"> Conducting firm assessment in the selected male dominated sectors Hiring of third-party firm that will conduct outreach and facilitate work placements Work placements 	<ul style="list-style-type: none"> Young female graduates with interest in entrepreneurship in male-dominated growth sectors 	5,000 females benefit from work placements
Component 2: Access to Finance for Women Entrepreneurs (Total IDA: US\$90 million, including WHR US\$16.2 million)			Total: 50,500 (direct) 200,000 (indirect)
Subcomponent 2A: Grant support for micro enterprises through business competition (total IDA: US\$20 million, including WHR US\$3 million)	<ul style="list-style-type: none"> Communication and outreach strategy campaign on the business competition Launch of the business competition Selection of the grantees Advisory support provided to the grantees Disbursement of the grant amount in tranches 	<ul style="list-style-type: none"> Women micro enterprises with focus on vulnerable groups such as youth, refugee, women with disabilities Women in social enterprises such as childcare, health services etc. 	22,000 women entrepreneurs
Sub-component 2B: Facilitating access to credit for enterprise growth (total IDA: US\$35 million, including WHR US\$9.95 million)	<ul style="list-style-type: none"> Recruitment and assessment of PFIs Access to credit and incentive grants 	<ul style="list-style-type: none"> Women entrepreneurs New men and women employees of women enterprises 	28,750 women entrepreneurs (24,000 PDM graduates, 10,500 micro- and 1,250 small enterprises) 50,000 new jobs from enterprise expansion.
Subcomponent 2C: Enhanced Loan Products and Processes for Women Entrepreneurs (total IDA \$30 million, including WHR US\$1.5 million)	<ul style="list-style-type: none"> Recruitment and assessment of PFIs Technical assistance and advisory services 	<ul style="list-style-type: none"> PFIs with mission to serve women and entrepreneurs (direct) Women entrepreneurs (indirect) 	4-8 PFIs benefit directly 200,000 women entrepreneurs benefit indirectly from improved financial products and systems



Components	Activities	Potential Beneficiaries	Estimated Number of Beneficiaries
Component 3: Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition (Total IDA: US\$70 million, including WHR US\$13.5 million)			Total: 220,000 (direct) 240,000 (indirect)
Subcomponent 3A: Multi-purpose service and production facilities to boost women enterprise productivity (US\$38 million including WHR US\$3 million)	<ul style="list-style-type: none"> • Technical assessments • Construction/upgrading of 10 multi-purpose service and production facilities. • Equipment and training for operationalizing the facilities • Coordination with relevant sector agencies and programs 	<ul style="list-style-type: none"> • Women entrepreneurs, particularly those with small as well as medium enterprises • Women employees of enterprises operating in industrial parks 	25,000 women entrepreneurs and 60,000 employees of women enterprises estimated to utilize the multi-purpose facilities
Sub-component 3b: Enabling Access to Gender Inclusive Workplace Infrastructure (US\$32 million including WHR US\$10.5 million)	<ul style="list-style-type: none"> • Identification, prioritization, and planning • Facility upgrades to women workplaces, including childcare facilities, lighting and safety, provision of digital access points, bathrooms, and breastfeeding spaces, etc. • Operational support and training 	<ul style="list-style-type: none"> • Women entrepreneurs • Micro and small entrepreneurs in the target districts • Facility committee members • Community and household members that utilize and benefit from improved facilities 	20,000 women entrepreneurs and 60,000 employees of women enterprises estimated to utilize an estimate 2,000 upgraded facilities 120,000 community and household members and committee members estimated to benefit indirectly
Component 4: Program Management Support, Policy Innovation, and Evidence Generation (Total IDA: US\$15 million, including WHR US\$2.35 million)			Total: 575 (direct) 250,000 (indirect)
Program management support for high-quality implementation	<ul style="list-style-type: none"> • Recruitment of PMU staff • Training staff on project management, ESF, etc. 	<ul style="list-style-type: none"> • MGLSD, PSFU • MLG, Local government officials • Implementing partners, including OPM and UIA staff 	100 national government officials and 450 local officials benefit from capacity building.
Policy innovation and evidence generation.	<ul style="list-style-type: none"> • Hiring of evaluation firm • Conducting evaluation surveys and developing reports • Conducting reviews/studies on key project issues • Developing beneficiary MIS • Working on focus areas of labor productivity enhancement, Violence and Harassment in the World of Work, child labor, and gender and decent work 	<ul style="list-style-type: none"> • MGLSD research and policy staff • Women entrepreneurs (indirectly from regulatory improvements) 	25 research and policy staff benefit from improve research capacity and data 250,000 women entrepreneurs indirectly benefit from improved policy making and regulations

II. Financial Management Arrangements

10. A financial assessment was conducted to determine: (a) whether the participating entities have adequate financial management arrangements to ensure the project funds will be used for purposes intended in an efficient and economical way; (b) project financial reports will be prepared in an accurate, reliable, and timely manner; (c) the entities' assets will

be safeguarded; and (d) are subject to auditing arrangements acceptable to the World Bank. Under the World Bank Policy and World Bank Directive for Investment Project Financing, borrowers are required to have and maintain adequate financial management systems which include budgeting, accounting, internal controls, funds flow, financial reporting, and auditing arrangements to ensure that they can readily provide accurate and timely information regarding the project resources and expenditures. These arrangements are deemed acceptable if they (a) are capable of correctly and completely recording all financial transactions and balances relating to project resources (b) can facilitate the preparation of regular, timely and reliable financial statements (c) safeguard the project's assets and (d) are subject to auditing arrangements acceptable to IDA. The assessment was carried out in accordance with the Financial Management Practices Manual for World Bank Investment Project Financing Operations (September 7, 2021).

11. The assessment identified key risks that include (i) failure to carry out internal audit reviews- this is a high risk given the number of ongoing activities and spread of operations; (ii) frequent movement/ transfer of qualified and experienced staff-finance and accounts; (iii) delayed transfer of funds to project implementation level; (iv) submission of financial reports and (v) delayed submission of audit reports. To ensure that the project is effectively implemented, MGLSD and PSFU will ensure that appropriate staffing arrangements are maintained throughout the life of the project.

12. The conclusion of the assessment is that the financial management arrangements are satisfactory to manage the project and do satisfy the World Bank's minimum requirements for due diligence for Financial Intermediaries. The system can adequately provide, with reasonable assurance, accurate and timely information on the status of the project. The financial management arrangements for the project have a **Substantial** residual risk rating. However, with planned implementation support to the project as well as the implementation of agreed action plans, the financial management arrangements will be strengthened to provide, with reasonable assurance, accurate and timely information on the status of the project resources required by IDA.

Risk assessment and Mitigation

13. The table below identifies the key risks that the project management may face in achieving these objectives and provides a basis for determining how management should address these risks.

Table 1.4: Financial Management Risk Assessment Matrix

Risk Description	Risk Mitigating Measures Incorporated into Project Design	Risk rating
Inherent risks		
Country Level- Recent fraud cases in central government and the 2016 PEFA report show weaknesses in government PFM systems.	Weaknesses such as weak accounting capacity, budget credibility, payroll rules and procurement compliance are being mitigated under a government PFM reform program. New legislation is being crafted to freeze and confiscate property acquired fraudulently.	S
Entity Level- Line ministry could delay in submitting relevant reports due to weak capacity.	MGLSD management will be enhanced by recruiting contracted personnel to boost capacity. New measures to improve governance have been adopted like Whistle blowing policy and Anti-fraud & Anti-corruption strategy at PSFU. The World Bank will conduct regular FM reviews to ensure compliance.	S
Project Level- This is a complex project implemented by MGLSD, Local governments, communities, PSFU and private sector entities.	This will be mitigated by agreed accountability procedures issued by MGLSD and PSFU and any participating institution(s) spelling out duties and responsibilities together with staff specifically assigned to the project. MGLSD Project Implementation Team and PSFU will ensure proper coordination of the project.	S
	Overall Inherent Risk	S

Control Risk		
Budgeting and Accounting		
Although all World Bank funded projects are captured under the annual National budget, some implementing agencies may not have access to IFMS accounting system.	MGLSD will be preparing accounts manually using excel spread sheets and risks will further be mitigated in the future by MFPED installing a projects' module within the IFMS to be used for project accounting. The PSFU uses Sun Systems computerized accounting software which is sufficient for project accounts.	S
Internal Control-Inability to follow up reported internal control weaknesses.	MLGSD and PSFU have qualified and experienced internal auditors who will include the project within their work plans to ensure the internal audit unit carries out its role within the project as per their Internal Audit charters. This will also be spelt out in the project manual. The World Bank will conduct regular FM reviews to ensure compliance.	M
Financial Reporting- Financial Information may be late and unreliable for purposes of preparation of required reports.	MGLSD and PSFU need to produce standard formats of unaudited Interim Financial Reports (IFRs) that will be used for GROW. Strict compliance with the quarterly reporting schedule will be emphasized. The IFR formats were agreed with the World Bank during negotiations.	S
External Audit- Late preparation of financial statements leading to delayed audit reports	Timely engagement of OAG or Independent auditors will be emphasized for annual project audits with acceptable TOR.	M
Overall Risk Rating		Substantial

H–High, S–Substantial, M–Moderate, L– Low

Detailed FM Assessment

A. Ministry of Gender, Labour, and Social Development (MGLSD)

BUDGETING

14. Budgeting for the project will be in line with the Government budgeting cycle. The project will follow the government planning and budgeting procedures documented in the government's Treasury Accounting Instructions, 2003 (currently under revision in line with the new PFM Act, 2015 and PFM Regulations 2016). These arrangements were appraised and found to be adequate for the project. The project will be 100 percent funded by IDA except for cost elements such as contract committee, sitting allowances and honoraria that will be budgeted under the ministries GoU budgets. These elements funded by GoU presents a risk under budgeting or diversion during execution resulting in delays in project execution. The capacity of the accounting staff to fulfill budgeting needs of the project is adequate and they will be reinforced by contracted staff.

ACCOUNTING SYSTEM, POLICIES, AND PROCEDURES

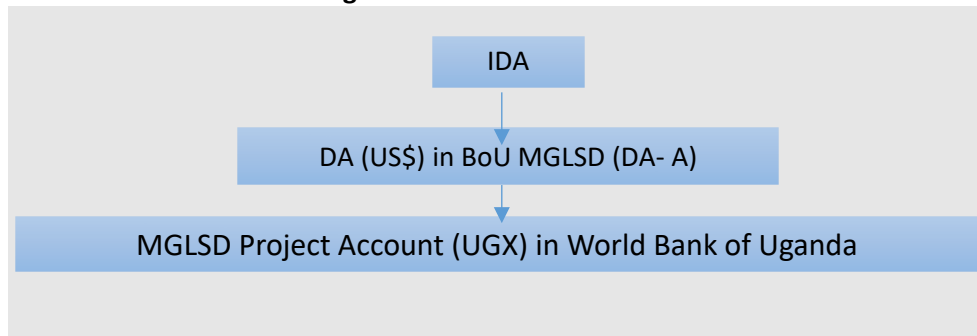
15. The assessment was satisfied that GoU accounting policies and procedures supplemented with IDA FM Guidelines are specified in the Financing Agreement and will be elaborated in the Project Operations Manual that will be used under the project. The project team at the MGLSD will be trained on the guidelines before and during project implementation. The financial reports of the project will be prepared on a cash basis in accordance with International Public Sector Accounting Standards. The key weaknesses assessed is weak implementation of rules and regulations on management of staff advances, delayed processing of payments and accountability challenges highlighted in the audit reports. The books of accounts to be maintained by MGLSD, specifically for the project, will be set up and include: a

cash book, ledgers, journal vouchers, a fixed asset register, an advances ledger, and contracts register(s) among others. The MGLSD accounts department is not fully staffed and given the current workload, there will be need for MGLSD to recruit a project accountant within three months of project effectiveness to support the mainstream accounting staff designated to the project. The project accountant will be supervised by the Head of Accounts FM training will be offered to the project accountant and other staff assigned to the project within 6 months of project effectiveness. Also, there is need to train other staff involved in the project implementation on the World Bank FM guidelines and procedures. The MGLSD currently uses IFMS in management of the accounting and reporting functions for the government. The project will be expected to be managed through the upgraded IFMS with the project module for new projects as agreed and directed by Moped. This has however presented the risk of slow implementation of the new project module under IFMS due to some technical challenges that are being addressed by the MFPED.

FUNDS FLOW AND DISBURSEMENT ARRANGEMENTS

16. The following World Bank accounts authorized by the MFPED will be maintained by the MGLSD in the World Bank of Uganda for purposes of implementing the project: (a) Designated Account denominated in US dollars where disbursements from IDA will be deposited and from which payment in US dollars will be made; and (b) project account, denominated in the local currency. Transfers from the Designated Account (for payment of transactions in local currency) will be deposited into this account in accordance with the project objectives, work plans and budgets. Transfers to lower-level implementation points such as district local governments will follow the established government systems as provided for in the government’s Treasury Accounting Instructions, 2003 (currently under revision in line with the new Public Financial Management Act 2015, and the Public Financial Management Regulations 2016).

Figure 1.2: Funds Flow Chart



17. The direct payment method may be used for payments to contractors or service providers upon recommendations of their satisfactory performance by the project authorized officials. Payments may also be made for expenditures against special commitments. The project may also use the reimbursement method. The Accountant General in the MFPED together with his delegated officials shall be co-signatories for disbursement/withdrawal applications.

18. If ineligible expenditures are found to have been made from the designated account, the Client will be obligated to refund the same. If the designated account remains inactive for more than six months, the Client may be requested to refund to IDA amounts advanced to the designated account. IDA will have the right, as reflected in the Financing Agreement, to suspend disbursement of funds if reporting requirements are not complied with.



19. The MGLSD will submit quarterly IFRs in acceptable formats to the World Bank within 45 days after the end of each calendar quarter. The report will include: (a) a Statement of Sources and Uses of Funds: and (b) a statement of uses of funds by project activity/component. In addition to the above reports, the ministries will submit to the World Bank: (a) Designated Account Activity Statement; (b) Designated Account and Project Account World Bank Statements; (c) Summary Statement of DA expenditures for contracts subject to prior review; and (d) Summary Statement of DA Expenditures for contracts not subject to Prior Review. The annual financial statements should be prepared in accordance with International Public Sector Accounting Standards (which among others includes the application of the cash basis of recognition of transactions).

INTERNAL CONTROLS AND INTERNAL AUDIT

20. The assessment also reviewed the internal controls as documented in The Public Finance Management Act, 2015, the Public Finance Management Regulations 2016, Treasury Accounting Instructions 2003 (currently being updated in line with new laws and regulations), Local Government Financial and Accounting Manual 2007, Local Government (Financial and Accounting) Regulations 2007 (Currently being updated) and the provisions of the PIM that will include implementation requirements specific to the World Bank financed projects and noted that they are adequate for the project. The MGLSD has qualified and experienced internal auditors and will incorporate the project into the internal audit work plan. The key risk assessed included inadequate budgetary provision under GoU funding, non-adherence to audit work plans and delays by management to respond to audit findings or implement recommendations. The project will provide resources to facilitate the internal audit reviews at both ministries when need arises. The ministries will share with the World Bank the internal audit reports semi-annually.

FINANCIAL MANAGEMENT ACTION PLAN

21. The action plan below indicates the actions to be taken by MGLSD for the project to strengthen its financial management system and the dates that they are due to be completed.

Table 1.5: Financial Management Action Plan, MGLSD

No.	Action	Date due	Responsible
1	Designation of mainstream accountant	By project effectiveness	MGLSD
2	Recruitment of project accountant	Within 3 months after project effectiveness	MGLSD
3	Opening of Project World Bank accounts	After signing of financing agreement	MGLSD/ MFPED
4	Client Connection sets up	After project effectiveness	World Bank
5	Training of project accounting, auditing and other project staff on FM guidelines and procedures	Within 6 months after project effectiveness	MGLSD and World Bank
6	Internal audit reviews	Semi annually	MFPED / MGLSD
7	Carry out external audits	Annually	MGLSD and AG
8	Carry out implementation support/ supervision	Every six months	World Bank
9	Agree on reporting arrangements, templates, etc.	Before project effectiveness	World Bank/MGLSD

B. Private Sector Foundation Uganda

BUDGETING

22. PSFU budget procedures are followed while developing budgets. Individual departments are involved in the budgeting process. Budgets lay down physical and financial targets including physical outputs and financial performance, and these are reflected in workplans and procurement plans. The budgets are prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance. Finance department provides the necessary support during budget preparation process. Management reviews budgets and submits them to the board for approval. Actual expenditures are compared to the budget on monthly and quarterly basis. The capacity of the accounting staff to fulfill budgeting needs of the project is adequate.

ACCOUNTING ARRANGEMENTS

23. PSFU follows International Accounting Standards (IAS). The organization will maintain similar books of accounts to those for other IDA funded projects. PSFU has an accounting system that allows for the proper recording of project financial transactions, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds. PSFU uses Sun system but will be rolling to ERP (SAP Business 1). GoU projects are encouraged to use national systems (Integrated Financial Management System -IFMS). The new project will use (IFMS) in line with the requirements. The books of accounts expected to be maintained for GROW include: a Cash Book, ledgers, journal vouchers, fixed asset register, contracts register among others. PSFU chart of accounts is adequate to properly account for and report on project activities and disbursement categories. The PSFU is adequately staffed with qualified and experienced accounting staff to support the project. The finance department is headed by the Director Finance who reports to the Executive Director. The project will have staff complement composed of a financial management Specialist, Project Accountant and Accounts Assistant. PSFU currently uses Sun system and will be rolling to a new system-ERP (SAP System). GoU funded projects use Integrated Financial Management System (IFMS). Sun system package can produce project financial reports and will be used to produce reports for this project. The staff are also well trained to use this software. The management organization and processing system safeguard the confidentiality, integrity, and availability of the data.

INTERNAL CONTROL ARRANGEMENTS

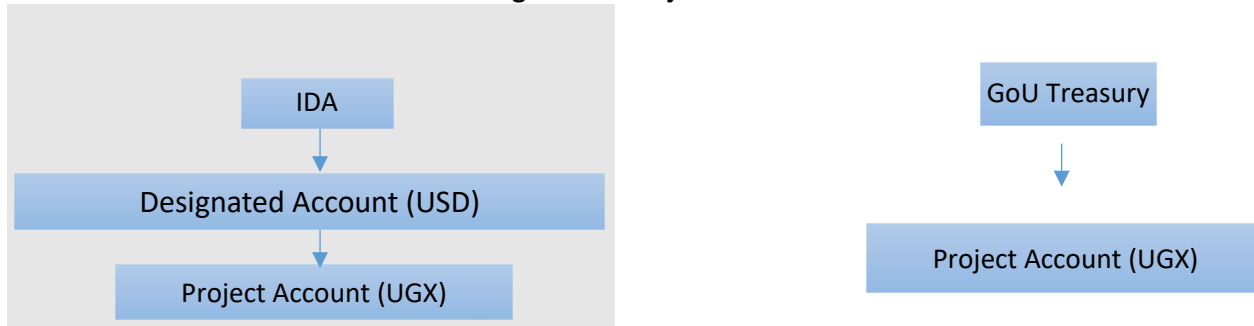
24. The PSFU has a Financial Management Manual and project-specific financial manuals that describe the accounting system. These are the major transaction cycles of the project; funds flow processes; the accounting records, supporting documents and specific accounts in the financial statements involved in the processing of transactions; the list of accounting codes used to group transactions (chart of accounts); the accounting processes from the initiation of a transaction to its inclusion in the financial statements; authorization procedures for transactions; the financial reporting process used to prepare the financial statements, including significant accounting estimates and disclosures; financial and accounting policies for the project; budgeting procedures; financial forecasting procedures; and procurement and contract administration monitoring procedures. The GoU-funded project financial policies and procedures are contained in Public Finance and Management Act. The PSFU policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization. The PSFU has an internal audit department, which is committed to include the project in its annual and subsequent work plans when project approvals are finalized. In addition, there are specific project internal auditors. The internal auditor has a dual reporting relationship. He has a functional reporting relationship to the Board of the PSFU and an administrative reporting

relationship to the executive director (accounting officer). Internal audit reports are also presented to the GoU’s audit committees to be included in the report issued by the Internal Auditor General. Actions are taken on the findings of the internal audit. They are presented to senior management and issues are escalated to the Board, which makes the final decision. The internal auditor has a follow up program/tracking mechanism on actions from the Board.

FUNDS FLOW ARRANGEMENTS

25. PSFU will maintain and operate a Designated Account, denominated in US dollars. Disbursements from the IDA Credit will be deposited in this account. A project Account, denominated in Uganda Shillings, will also be maintained, and operated by PSFU. Transfers from the Designated Account (for payment of transactions in local currency) will be deposited in this account in accordance with project objectives. These World Bank accounts shall be opened at World Bank of Uganda.

Figure 1.3: Project Funds Flow Chart:



DISBURSEMENT ARRANGEMENTS

26. The MGLSD and the PSFU have established effective financial management and accounting systems that will facilitate the use of report-based disbursement, where cash flow forecasts based on work plans are submitted for a period of six months every quarterly period along with IFRs. The IFRs will be submitted for disbursement on a quarterly basis. In compliance with the report-based guidelines, we will expect the project to, (a) sustain satisfactory financial management rating during project supervision; (b) submit IFRs consistent with the agreed format and content within 45 days of the end of each reporting period, and (c) submit a Project Audit Report by the due date, within six months after the end of the financial year. MGLSD and PSFU will be expected to submit within six months after effectiveness, a six months’ cash flow forecast based on its work plan using the report-based method of disbursement to IDA for disbursement. IDA will then deposit funds into the Designated Accounts and these funds will be used by the Borrower to finance IDA’s share of program expenditures under the proposed Credit and Grant. Upon effectiveness, MGLSD and PSFU will have the following disbursement methods during implementation for the different components: advances, reimbursements, direct payments, and special commitments. If ineligible expenditures are found to have been made from the Designated Account, the Borrower will be obligated to refund the same. If the designated account remains inactive for more than six months, the Borrower may be requested to refund to IDA amounts advanced to the Designated Account. IDA will have the right, as reflected in the Financing Agreement, to suspend disbursement of the funds if reporting requirements are not complied with.

FINANCIAL REPORTING ARRANGEMENTS

- Interim unaudited financial reports (IFRs) will be prepared by each implementing entity and submitted to the World Bank no later than 45 days from the end of the calendar quarter. The financial reports should provide quality and timely information to the project management, implementing agencies, and various stakeholders monitoring the project's performance. The IFRs will contain the following:
- A statement of Sources and Uses of Funds for the reported quarter and cumulative period (from project inception) reconciled to opening and closing World Bank balances; and
- A statement of uses of funds (expenditure) by project activity/component comparing actual expenditure against the budget, with explanations for significant variances for the quarter.
- Designated Account (DA) Activity Statement.
- Copies of World Bank Statements covering the period being reported.
- Summary Statement of DA Expenditures for Contracts subject to Prior Review.

The format of the IFRs will be agreed with the World Bank during negotiations.

EXTERNAL AUDIT ARRANGEMENTS

27. The Auditor General is primarily responsible for the auditing of all government projects including this one. The Auditor General will audit activities implemented by both MGLSW and PSFU and issue separate audit reports. Usually, the audit may be subcontracted to a firm of private auditors, with the final report being issued by the Auditor General, based on the tests carried out by the subcontracted firm. The private firms to be sub-contracted should be acceptable to the World Bank. In case the audit is subcontracted to a firm of private auditors, IDA funding may be used to pay the cost of the audit. The audits are done in accordance with International Standards on Auditing. Appropriate terms of reference for the external auditor should be developed by the Office of Auditor General in collaboration with the entities and agreed with the World Bank. The annual audit reports are due for submission to the World Bank six months after the end of the financial year.

Supervision

28. The World Bank will conduct FM supervision missions depending on the project progress and the mission's objectives will include that of ensuring strong financial management systems are maintained for the project throughout its life. A review will be carried out regularly to ensure that expenditures incurred by the project remain eligible for funding. The Implementation Status Report (ISR) will include a financial management rating for the project that will be arrived at after an appropriate review.

Financial Management Action Plan

29. Finally, the action plan below indicates the actions to be taken for the project to strengthen its financial management system and the dates that they are due to be completed by.

Table 1.6: Financial Management Action Plan, PSFU

	Action	Date due by	Responsible
1	Opening designated Bank accounts in Bank of Uganda	After signing of the FA	MGLSD/ PSFU
2	Audited financial statements annually	Six months after the end of FY	MGLSD/ PSFU
3	Agreement on financial reporting arrangements- formats, templates.	Before effectiveness	MGLSD/ PSFU
4	Client Connection set up	After project effectiveness	WB
5	Internal audit reviews	Semi annually	PSFU
6	Carry out implementation support/ supervision	Every six months	WB

III. Procurement

30. **Project Procurement Strategy for Development (PPSD).** The MGLSD will establish a contracts committee specifically for the GROW project. This committee will have representation from the various key implementing partners. MGLSD is taking the lead in preparation of the PPSD to be finalized during the appraisal process. A Procurement Plan (PP) for the first 18 months of project implementation was prepared based on the PPSD and submitted to the World Bank on May 20, 2022.

Box 1.1: Summary of PPSD

Procurement will be conducted by MGLSD and PSFU. Both IAs have experience in implementing IDA funded projects under the Guidelines. PSFU has exposure to the Procurement Regulations through the AF for the Competitiveness Enterprises Development Project (CEDP). The MGLSD Team will be sensitized on the key changes in the Regulations and to be followed with further training at different stages of procurement as need arises. Both Agencies have in place Contracts Committee which provide oversight over the procurement function. If any high high-value, high-risk, or complex contracts are identified in the PP, contract management plans will be prepared. To mitigate procurement delays, ensure that only planned activities are implemented and providers paid on time, track performance of contracts there will be need for continuous oversight, reviews and audits, and the use of real-time monitoring and tracking tools.

31. **Project Procurement Strategy for Development (PPSD).** MGLSD lead preparation of the PPSD which was finalized on May 20, 2022. A procurement plan for the first 18 months of project implementation will be developed based on the PPSD.

32. **Systematic Tracking of Exchanges in Procurement (STEP).** The project will use STEP, a planning and tracking system, which would provide data on procurement activities, establish benchmarks, monitor delays, and measure procurement performance.

33. **Procurement Capacity Assessment:** The assessment concluded that both Agencies have experience implementing WB financed projects but MGLSD has not handled any project under the Regulations. Both the implementing agencies are recognized Procurement and Disposal Units under the Public Procurement and Disposal Act 2003 and follow the framework stipulated therein. The current procurement staff have the prerequisite qualifications and skills in conducting procurements under both GoU and donor funds. Procurement officers will be hired specifically for the project in both IAs to mitigate the risk of work overload on the current staff. The risks identified were informed by the self-assessment questionnaire and previous report Audits by the Office of the Auditor General. Table 1.4 below shows details of risks identified during the assessment and proposed mitigation measures.

**Table 1.7: Procurement Risks and Mitigation Measures**

Risk	Mitigation Measure/s	Completion Date	Responsible Entity
No prior experience in implementation of World Bank funded projects under the Regulations	Training in key changes in the Regulations including STEP Topic specific training	Within 3 months of effectiveness Throughout project implementation	MGLSD, WB
Absence of a procurement manual to guide procurement processes for the project.	Include a chapter on procurement arrangements and processes in the PIM	Before effectiveness	MGLSD
Implementation of unplanned activities and diversion of funds from planned activities due to non-alignment of the PP with the approved annual budget.	User Department to align PPs to the approved annual budget and share with the PDU for consolidation.	During the budgeting process	MGLSD
Absence of a mechanism to track volume, nature of complaints and time taken to resolve them.	Report all complaints in STEP to enable tracking from receipt to close out.	Throughout project implementation	MGLSD
Inability to identify red flags of corruption during evaluation and contract management processes.	Sensitisation in Fraud and Corruption during bidding and contract management	During project implementation	MGLSD, WB
Payment for deliverables without confirmation of compliance with contractual obligations	Contract Managers to submit Contract Management Plans and reports timely to PDU for monitoring purposes.	Throughout project implementation	MGLSD
Delays in procurement activities due to workload on current staff	Recruit a Procurement Officer dedicated to the project	Within 3 months of effectiveness.	MGLSD
Loss of documentation due to inadequate storage and a manual system that has no electronic back up.	Provide additional secure storage space. Set up electronic system to improve management of records.	Within first two years of project effectiveness	PSFU
Procurement delays due to not utilizing procurement flexibilities that arose due to COVID-19.	Get up to speed with the World Bank's acceptable flexibilities put in place as a result of COVID-19 Apply flexibilities in bidding documents where applicable.	Within a month of effectiveness. Continuous	PSFU
Absence of motivation to participate in bidding opportunities due to limited knowledge among Bidders about the system for review and resolution of complaints	Bidding documents should include information on procedures governing complaints handling.	Continuous	PSFU
Inadequate reporting on contract performance	enhance the mechanism and also improve facilitation for the contract management role, such as contract management trainings for parties involved in contract management and	Continuous	PSFU

	administration, enhanced contract monitoring, constituting contract management teams for complex contracts rather than individuals etc		
Increased workload on current staff upon project effectiveness	Hire a Procurement Officer conversant with WB procedures	Withing 3 months of project effectiveness	PSFU

34. Based on the assessment, the project procurement risk rating is “High”. The key risks and preliminary risk mitigation action plan is indicated in the Table below. The residual risks after the implementation of the mitigation measures proposed would be reduced to Substantial.

35. *Use of National Procurement System.* National procurement procedures shall only apply if the requirements as required by the paragraph 5.3 Procurement Regulations⁴⁰ are met. The PPDA bidding documents shall be used subject to; (i) permitting universal eligibility and (ii) being amended to include latest environmental and social provisions. The Guideline issued by PPDA on “reservation scheme to promote local content in public procurement” shall apply in accordance to the exception included under no.8 which will ensure that contracts subject to the national approach also meet the World Bank’s requirement for universal eligibility. Therefore, when approaching the national market, the country’s own procurement procedures including bidding documents may be used subject to permitting universal eligibility and including ES provisions.

36. **Standard Procurement Documents:** The World Bank’s Standard Procurement Documents (SPDs) shall be used for procurement of goods, works, and non-consulting services under Open International Competitive Procedures. National Bidding documents as set forth in the Public Procurement and Disposal Act, 2003 may be used under Open National competitive as well as for the Request for Quotation method subject to the inclusion of the universal eligibility and ES provisions. Selection of consultant firms shall use the World Bank’s SPDs, in line with procedures described in the Procurement Regulations.

37. In accordance with paragraph 5.3 of the Procurement Regulations, the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals to present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank’s Anti-Corruption Guidelines, including without limitation the World Bank’s right to sanction and the World Bank’s inspection and audit rights.

38. **Record keeping and management.** All records pertaining to award of tenders, including bid notification, register pertaining to sale and receipt of bids, bid opening minutes, bid evaluation reports and all correspondence pertaining to bid evaluation, communication sent to/with the World Bank in the process, bid securities, and approval of invitation/evaluation of bids will be retained by the respective agencies in electronic or hard copy and uploaded in STEP.

⁴⁰ (a) open advertising of the procurement opportunity at the national level; (b) the procurement is open to eligible firms from any country; (c) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank’s Anti-Corruption Guidelines, including without limitation the World Bank’s right to sanction and the World Bank’s inspection and audit rights; (d) Procurement Documents include provisions, as agreed with the World Bank, intended to adequately mitigate against environmental, social (including sexual exploitation and abuse and gender-based violence), health and safety (“ESHS”) risks and impacts; (e) contracts with an appropriate allocation of responsibilities, risks, and liabilities; (f) publication of contract award information; (g) rights for the World Bank to review procurement documentation and activities; (h) an effective complaints mechanism; and (i) Maintenance of records of the Procurement Process.

Individual procurement files shall be maintained for each contract processed and should contain all documents on the procurement process in accordance with the IDA requirements. Adequate secure storage must be provided for active files and for archiving.

39. **Disclosure of procurement information** shall follow the requirements of the Procurement Regulations subject to the market approach and selection method. In addition, the IAs shall publish an action report on any complaints received on a quarterly basis and upload the same in STEP.

40. **Beneficial Ownership Pilot.** No procurements within Operational Procurement Review Committee thresholds are envisaged thus Beneficial Ownership Pilot may not apply.

41. **Fiduciary oversight by the World Bank (frequency of procurement supervision):** The World Bank shall prior review contracts as per prior review thresholds set in the PPSD/PP, and carry out procurement post review annually to assess consistency and compliance with the agreed procedures. The World Bank may conduct at any time, Independent Procurement Reviews (IPRs) of all the contracts financed under the credit.

42. **Operating costs.** These will be procured using the Borrower's procurement, financial, and other administrative procedures acceptable to the World Bank. The credit proceeds shall not finance salary top-ups, meeting allowances, sitting allowances, and honoraria to civil/public servants. The operating costs will be specified in the Financing Agreement.

43. **Training and workshops.** The project will finance training and workshops, if required, based on an annual training plan and budget which shall be submitted to the World Bank for its prior review and approval. The annual training plan will identify, among other things: (a) the training envisaged; (b) the justification for the training; (c) the personnel to be trained; (d) the duration for such training; and (e) the estimated cost of the training. At the time of the actual training, the request shall be submitted to the World Bank for review and approval. Upon completion of the training, the trainees shall be required to prepare and submit a report on the training received.

44. **Contract Management.** Currently, high-risk, and high-value procurements have not been identified for increased contract management support. However, if such contract is identified in the due course of implementation, the agencies will develop key performance indicators (KPIs) for such identified contracts and these KPIs will be monitored during actual execution of contracts by the Procurement Officers for the project. The World Bank will provide additional due diligence and independent review of the contract performance of such identified procurements.

IV. Strategy and Approach for Implementation Support

45. The implementation support plan for this project is designed to ensure that the government counterparts are provided the necessary technical support address issues as they arise. Implementation support will focus on areas where the capacity of implementing agencies needs to be strengthened such as procurement, financial management, management of environmental and social risks and impacts, support for refugees and M&E.

46. The project will require intensive procurement and financial management implementation support during its first year given the MGLSD's lack of previous experience with IDA-funded projects. Support will be provided from the World Bank office in Kampala which has senior procurement and financial management specialists on staff.



47. The implementation support plan includes formal missions to be held every six months. A midterm review will be carried about 2.5–3 years following the start of implementation. This will review relevance, implementation progress, institutional arrangements, component activities and costs, fiduciary management, environmental and social risks management, the results framework, and other critical issues. If needed, the project will be restructured to reflect the findings from the midterm review. Financial management reviews will take place every six months. Between formal missions, monthly meetings, and interim missions (as needed) will be held with project counterparts to review project progress and discuss and address emerging issues.

48. The project supervision budget will be used to support a core technical team to provide day-to-day support to the Client, including Co-Task Team Leaders and a multidisciplinary task team. The team will include a financial specialist, environmental specialist, social specialist, procurement specialist, financial management specialist, refugee specialist and M&E specialist. Additional specialists will be called upon as needed.

Table 1.8: Implementation Support Plan

Time	Focus	Skills Needed
Pre-effectiveness	<ul style="list-style-type: none"> • Support implementing agencies in the development of the POM; • Advising on preparation terms of reference for service providers and participating financial institutions; • Capacity building support for MGLSD and PSFU; • Advising on curriculum for the core course; • Additional analytical support for on growth sectors and financial sector assessments; • Support in developing a communications strategy/action plan/design of materials; • Coordination with international partners ahead of project launch. • Drafting MOU with DRDIP for refugee and host community implementation 	Task team
Year 1	<ul style="list-style-type: none"> • Finalizing terms of reference for key contracts including service providers and recruiting the service providers. • Advising on development of the EMP and RAP. • Advising on mechanisms for forums for women to express their investment priorities. • Advising on establishment of the matching grant scheme. • Advising on establishing the integrated M&E database and digital platform • Support for design of the impact evaluation and execution of the baseline surveys. • Signing MOU with DRIDP 	Task team
Years 2– 5	<p>Monitoring and ongoing support and capacity building support to implementing agencies in implementation activities, considering amendments to the POM if required, and FM, procurement, environmental and social risk management, and technical supervision.</p> <p>Technical support and oversight for:</p> <ul style="list-style-type: none"> • Operation of the platforms, including inclusion of marginalized groups • Completion and satisfaction with the core course on entrepreneurship and the work placement initiative. • Uptake and satisfaction with the business competition process and grants as well as the matching grant mechanism • Monitoring activities for upgraded gender facilities, including selection, uptake, and operationalization • Supervision of construction works • Supervision of O&M Plans 	Task team



	<ul style="list-style-type: none"> • Supervision of the implementation of strategic communications plan activities, GRM, Monitoring Information System, procurement, FM, ESF implementation, and monitoring and evaluation • Supervision of citizen engagement approach to ensure refugees, youth, local communities, and private sector involvement, transparency, and accountability <p>FM, procurement, and ESF supervision and site visits, and trainings for communities and local officials as relevant. Monitoring of results of the SEP and supporting additional communications and outreach in communities on project implementation. Conducting a mid-term review and an Implementation Completion and Results Report.</p>	
--	---	--

Table 1.9: Skills Mix Required

Skills Needed	Number of Staff Weeks For 5 years	Number of missions (inter-national)	Location (Indicative/ Initial)
Task team leaders (SSI)	50	-	Kampala-based staff
Co-Task team leaders (SPJ)	40	-	Kampala-based staff
Social Development Specialist	25	-	CO staff/consultant
Entrepreneurship Consultant	25	-	National expert
Gender Policy Specialist	15	3	DC-based staff
Impact Evaluation Specialist	25	3	DC-based staff
Senior Financial Sector Specialist	15	-	Kampala-based staff
Financial Sector Consultant	15	5	International expert
Sector specialists from Education, Health, SPJ, and Water	10	-	CO staff
Infrastructure Consultant	15	-	National expert
Climate change expert	7	3	AFE region-based staff
Environmental Risk Management Specialist	15	8	CO staff
Environmental Risk Management Consultant	23	-	CO consultant
Social Risk Management Specialist	15	-	CO consultant
SRM consultant	20	-	CO consultant
M&E Specialist	20	-	CO consultant
FM Specialist	11	-	CO staff
Procurement Specialist	15	-	CO staff
Communications Specialist	12	-	CO staff

ANNEX 2: Alignment of World Bank supported Projects in Refugee and Host Districts (RHD)

COUNTRY: Uganda

Generating Growth Opportunities and Productivity for Women Enterprises Uganda

- Uganda hosts the largest number of refugees in Africa, of which 52 percent are female.** Their number has more than doubled since 2015 to almost 1.6 million. South Sudanese make up the largest nationality (964,960 people), followed by those from the Democratic Republic of the Congo (467,004) and Burundi (56,905).⁴¹ A further 106,536 refugees come from Somalia, Rwanda, Eritrea, Sudan, Ethiopia and 23 other countries. Details are in Map 1 below. 94 percent of the refugees live in settlements across 12 Refugee Hosting Districts (RHDs) with a population of 4,437,500 people (excluding Kampala), while the remainder live among the communities predominantly in the urban areas.
- There are strong complementarities and synergies between the project and other World Bank operations in RHDs.** Uganda has \$755 million in approved finance under the IDA18 Regional Sub-Window for Refugees and Host Communities and IDA19 Window for Host Communities and Refugees. Table 2.1 below outlines the key projects that will coordinate and strengthen GROW's implementation in RHDs in the sectors of community development, MSME strengthening, urban infrastructure, GBV, digital and energy.

Table 2.1: Summary of Synergies with Projects Financed under the IDA Windows for Host Communities and Refugees in Uganda

Project	Development Objectives	Synergies
Development Response to Displacement Impacts Project in the Horn of Africa – Additional Financing (P164101) Financing: US\$ 150 million WHR: US\$ 125 million	Bottom-up cross-sectoral planning for site-specific development projects for improved access to basic services, expanded economic opportunities, and enhanced environmental management with a strong focus on women. Ministries involved include: Ministry of Agriculture and Natural Resources, OPM, Ministry of Local Government, and Ministry of Gender, Labor and Social Development.	<ol style="list-style-type: none"> 1. Strengthening of OPM/MLG institutional coordination (for example, MGLSD participation to the cross-sectoral steering committee established at the PIU) 2. Enabling higher value-added livelihoods and accelerated employment interventions in response to COVID-19 pressures. 3. Building on DRDIP lessons learned through formal project MOU.
Investment for Industrial Transformation and Employment (INVITE) (P171607) Financing: US\$104 million WHR: US\$ 50 million	To mitigate the effect of COVID-19 on private sector investment and employment and to support new economic opportunities including in refugee and hosting communities.	<ol style="list-style-type: none"> 1. Both projects will provide finance to micro and small enterprises in RHDs. 2. PFSU implementer for both projects in RHDs will ensure strong joint management oversight for women and programmatic alignment. 3. Will ensure complementary business inputs targeting refugee needs. 4. INVITE lead investor and value chain driven approach will help inform GROW entrepreneur and infrastructure selection.

⁴¹ UNHCR and Office of the Prime Minister. February 2022. Uganda Comprehensive Refugee Response Portal. <https://data2.unhcr.org/en/country/uga>.



<p>Uganda Support to Municipal Infrastructure Development Program Additional Financing (P163515)</p> <p>Financing: US\$360 million WHR: US\$50 million</p>	<p>Enhance institutional performance of program local governments for urban service delivery. This includes planning, land tenure security, and small-scale infrastructure investments within refugee-hosting urban centers and their wider districts. It will support eight refugee-hosting districts. The focus is secondary cities.</p>	<ol style="list-style-type: none"> 1. Collaboration with the Ministry of Land and Urban Development for the adequate inclusion of common-user facilities the cross-sectoral fiscal plans for local development (only the framework has been developed). 2. Complementary infrastructure investments in RHDs (for example, USMID roads, lighting, and markets in RHDs can be supplemented by GROW business infrastructure) 3. Both focus on strengthening district level implementation and management of infrastructure needs in RHDs.
<p>GBV and Violence Against Children Prevention and Response Services in Uganda’s Refugee-Hosting Districts Report</p> <p>Financing: US\$0.5 million</p>	<p>To mitigate GBV and prevent violence against children through engagement in productive activities in support of DRDIP implementation.</p>	<ol style="list-style-type: none"> 1. GROW will learn from this pilot’s support to GBV services in RHDs 2. MGLSD’s core role supporting mitigation and response to GBV and VAC in RHDs will be strengthened in complementary ways through both projects.
<p>Uganda Digital Acceleration Program (P171305)</p> <p>Financing: US\$ 200 million WHR: US\$ 54 million</p>	<p>The project development objectives are to expand access to high-speed internet in underserved areas, improve efficiency of digital government services nationwide, and strengthen the digital inclusion of host communities and refugees.</p>	<ol style="list-style-type: none"> 1. Providing digital access points to common-user facilities ensure cost effective digital implementation and last-mile digital connectivity. 2. Ensuring affordable digital device charging solutions within refugee settlements 3. Enable mobile money solutions within RHDs. 4. Provide access to digital learning tools, market information and elements of e-business for women entrepreneurs in RHDs.
<p>Uganda Electricity Access Scale-Up Project (EASP) (P166685)</p> <p>Financing: US\$604 million WHR: US\$124 million</p>	<p>To increase access to energy for households (including refugees and host communities), commercial enterprises, industrial parks, and public institutions.</p>	<ol style="list-style-type: none"> 1. Make energy inputs for women’s enterprises more affordable and their businesses more competitive. 2. Through energy solutions reduce domestic drudgery and cooking times often taken by women in RHDs. 3. By providing lighting and digitally enabling environment extending potential time for women entrepreneurs’ business day.

ANNEX 3: Eligibility Criteria for Selection of Participating Financial Institutions (PFIs)

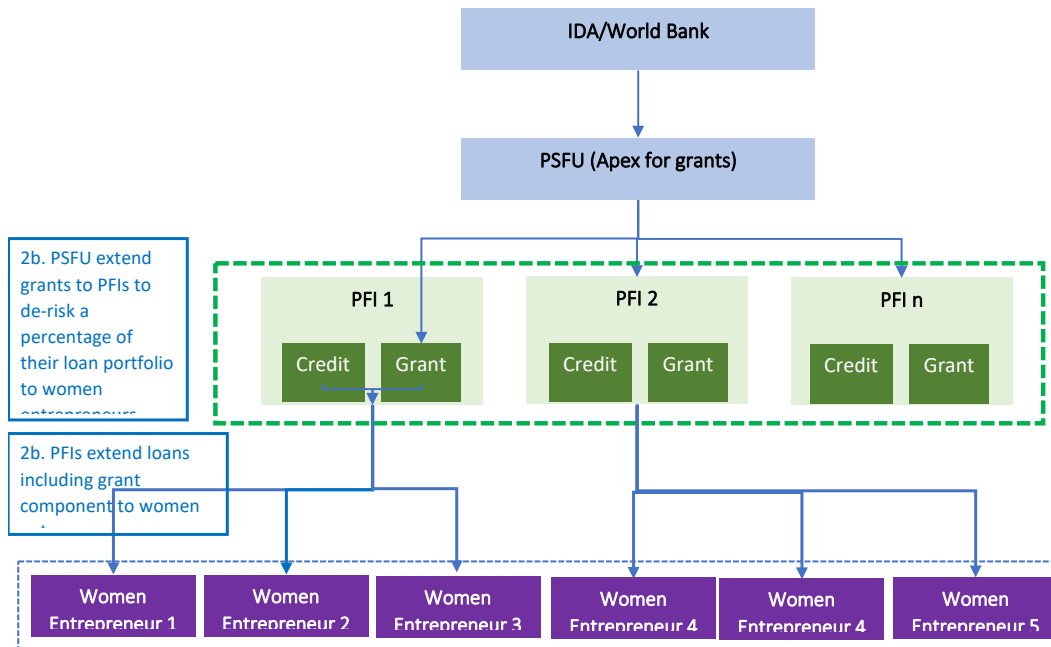
COUNTRY: Uganda

Generating Growth Opportunities and Productivity for Women Enterprises Uganda

1. **The GROW project is consistent in applying Financial Intermediary Financing Policy Guidance and relevant Operations Policy and Country Services guidance in dealing with financial intermediary financing under the project.** This annex explains, the grant financing the project will leverage, the role of PFIs in implementing the access to finance component, the flow of funds of the grant mechanisms, and describes the selection and due process for PFIs.
2. **The access to finance sub-component will support women entrepreneurs, including refugees and women entrepreneurs from host communities, to meet the capital needs for business expansion and growth.** It will adopt an innovative approach to enable the target beneficiaries to access the credit they need to expand their enterprises. High interest rates and the need for collateral constrains women entrepreneurs from accessing the required credit to grow their business. This sub-component will therefore provide a grant facility that incentivizes women to access the credit they need from financial institutions and for PFIs to provide the credit component from their existing capital and credit lines.
3. **The grants will be provided to eligible women-owned enterprises as a package to complement loans offered by the project's PFIs.** The process for the scheme will be as follows:
 - Women enterprises will prepare a bankable proposal (with support from the enterprise and skills developed interventions under component 1).
 - PFIs will appraise the financing proposal; if the project is considered viable, it will apply environmental and social standards screening procedures established by the PSFU.
 - The PFIs will submit a portfolio of eligible loans to the PSFU.
 - The PSFU will review the portfolio or pipeline of loans and disburse the corresponding grant amount to the PFIs only after covenants and pre-disbursement conditions have been complied with as specified in the grant manual. The grant amount will depend on the profile of beneficiaries and loan amounts in the portfolio.⁴²
 - The beneficiary contributes 10 percent of the capital needs from existing savings (5 percent for eligible refugee beneficiaries).
 - The beneficiary receives a financing package comprised of a grant and loan from the PFI with the specific grant and credit percentage depending on the profile of the beneficiary as specified in the grant manual.
 - The beneficiary signs a financing agreement with the PFI for the balance (90 percent, or 95 percent for refugees), with the agreement specifying the portion of the loan to be financed from the grant
 - The grant will serve to automatically reimburse the balance of the beneficiary's loan exposure per the financing agreement (with the amount ranging from 10 to 35 percent depending on the profile and financing needs of the beneficiary).

⁴² The specific grant and credit percentages that apply to the beneficiary types and their financing needs will be specified in the operations manual and determined based on financial sector analysis conducted during the effectiveness period.

Figure 3.1: Flow of Funds (Sub-component 2b)



4. **Institutional Arrangements.** The Permanent Secretary of the MGLSD will chair the PSC and have overall responsibility for project coordination. The PSC will consist of the permanent secretaries of the implementing agencies (the Ministry of Finance, Planning and Economic Development (MFPED) and the MLG), the Executive Director of PSFU as well as key technical ministries and agencies (the OPM, the UIA, the Ministry of Trade, Industry and Cooperatives). The PSC will liaise with an advisory group that will comprise selected women entrepreneur bodies. The government will establish a PTC to coordinate implementation of the project components at the technical level. The PTC will be chaired by a Director from MGLSD and will comprise the key commissioner-level staff responsible for implementation of each component and subcomponent (MGLSD, PSFU, and MLG) as well as commissioner-level staff from agencies with an implementation support role (OPM, UIA, National Environmental Management Authority (NEMA)).

5. **Implementation arrangements involving PFIs.** The PSFU will be the main implementing agency responsible for subcomponents 2B and 2C. The PSFU will lead development of the grant manual in close consultation with relevant stakeholders, implement a competitive process to select and rigorously assess the PFIs, establish a contract monitoring system, including for the grants administered by PFIs, undertake monitoring, implement the Environment and Social Framework (ESF) requirements relevant to the component (including ensuring PFI compliance as required), conduct process evaluations and project supervision activities (including with MGLSD and/or the World Bank as required), and prepare regular reports including on the indicators of the results framework. In relation to this component, the MGLSD will oversee its implementation overall, ensure the integrated GROW MIS is adapted to the needs of implementing component 2, conduct impact evaluations, and consolidate reports.

6. **PFIs selection and due diligence.** The PSFU will select during project effectiveness lending organizations to implement subcomponent 2A and 2B, which will be selected based on a rigorous due diligence assessment, including



each PFI's policies, governance structures, capital position, and portfolio performance. Government-supported PFIs will be eligible to participate. The key criterion for engagement is the organizational commitment to target and support women entrepreneurs. In addition, the PFIs are expected to partner with local experts in business development services, accelerator, and business competition models. The selection of the PFIs will be subject to the World Bank's review and no objection prior to the finalization of agreements and will be a disbursement condition for this subcomponent. All PFIs should comply with local regulations and will be appraised against the following principles, as a minimum:

- (a) **Licensing:** The FI must be *duly licensed* and ideally at least two years in operation.
- (b) **Governance/Management:** FI's owners should be "*fit and proper*". It must have qualified and experienced management, adequate organization, and institutional capacity for its specific risk profile.
- (c) **Compliance with national regulations.** The FI must be in "*good standing*" with its supervisory authority (i.e., it should meet all prudential and other applicable laws and regulations) and always remain in compliance.
- (d) **Business Policies.** The FI should have well defined policies and written procedures for *management of all types of financial risks* (liquidity, credit, currency, interest rate and market risk, as well as risks associated with balance sheet and income statement structures).
- (e) **Operational Capacity:** the FI should demonstrate appropriate operational capacity, including capacity and staffing.
- (f) **Financial Soundness**
 - The FI must maintain *capital adequacy* prescribed by prudential regulations.
 - The FI must have *adequate liquidity*.
 - The FI must have *positive profitability and acceptable risk profile*. It must maintain the value of its capital.
 - The FI must classify its assets and off-balance-sheet credit risk exposures (at least four times per year) and make adequate provisions. It must have *adequate portfolio quality*. The FI should not have more than 10% of criticized assets (i.e., classified as substandard, doubtful and loss).
 - The FI should have a sufficiently high level of portfolio quality, in particular for lending activities in areas related to the financial intermediary financing (and taking into account rescheduled/reprogrammed loans).
- (g) **Audit and Internal Controls.** The FI must have adequate internal audits and controls for its specific risk profile.
- (h) **Information Systems.** The FI must have adequate management information systems.
- (i) **Environmental and Social Management Systems (ESMS).** FIs must have ESMS covering policy, procedures, organizational capacity monitoring and stakeholder engagement. They must develop a system to categorize subprojects based on the social and environmental risks and impacts involved.

ANNEX 4: Climate Change Co-Benefits

COUNTRY: Uganda

Generating Growth Opportunities and Productivity for Women Enterprises Uganda

- 1. Uganda has seen accelerating impacts from climate change that affect livelihoods in key sectors.** Rising temperatures and reduced annual and seasonal rainfall have driven more frequent and longer-lasting droughts, especially in the western, northern, and northeastern regions, as well as heavy precipitation events linked to an increased risk of flooding and landslides. Over the past 20 years, extreme hazard events have affected an average of 200,000 Ugandans every year. The economy's dependence on climate-sensitive sectors, such as tourism, agriculture, water fisheries, and forestry, exacerbates the country's vulnerability.⁴³
- 2. These impacts are expected to further increase, especially toward the middle of the century, with disruptive effects on the economy and key sectors.** Climate change projections include increasingly intense flooding which, in turn, will heighten risks of loss of life and damage to property and infrastructure, as well as soil erosion and water logging of crops, decreasing yields, and increasing food insecurity. Increased likelihood of increased aridity and drought stress is expected to lead to water scarcity in some areas, resulting in increased demand for water, raising the potential for conflict and biodiversity loss. Higher temperatures with increased aridity may also lead to livestock stress and reduced crop yields.⁴⁴
- 3. Women are particularly vulnerable to climate change impacts, which exacerbate existing gender inequalities and compound the effects of other shocks and stresses, such as COVID-19, conflict, and forced displacement.** Drivers of vulnerability for Ugandan women include poverty, high reliance on climate-sensitive livelihoods, displacement, household care burdens and GBV risks, and limited access to basic productive infrastructure, resources, and services to support coping and adaptation. Unemployment and work stoppages due to COVID-19 have pushed many Ugandans, especially women, back to climate-sensitive subsistence agriculture. Gender gaps in paid work and business ownership have expanded under the Covid-19 pandemic. Women are underrepresented in governance decision making and have less access to financial and productive assets, have less secure land tenure, and limited safety nets. Women are also less likely to benefit from green recovery investments, including access to resources, leadership opportunities, and assets in more low-carbon growth sectors.⁴⁵
- 4. Despite disproportionately high levels of vulnerability, women are also stewards of environmental management, have rich traditional knowledge and experience adapting to climate change, and have great potential to contribute green, resilient recovery of the Ugandan economy.** Given the disproportionate impact of Covid-19 on women and the potential for women entrepreneurs to contribute to economic growth and to the recovery of household finances, the World Bank's December 2022 Uganda Economic Update recommended that the GoU put "women at the center of Uganda's economic recovery." Uganda's Green Growth Development Strategy (GGDS,

⁴³ World Bank. 2021. Climate Risk Profile: Uganda; World Bank Group. 2019. Gendered Impacts of the Covid-19 Crisis in Uganda and Opportunities for an Inclusive and Sustainable Recovery.

⁴⁴ World Bank Group Climate Change Knowledge Portal. 2021.

⁴⁵ World Bank Group. 2019. Gendered Impacts of the Covid-19 Crisis in Uganda and Opportunities for an Inclusive and Sustainable Recovery.

2017/18–2030/31), which provides the guiding policy for green growth, includes clear targets for gender inclusion, and the GOU is working toward a target of at least 50 percent women beneficiaries in the implementation of their Green Jobs Creation Strategy and Plan (GJCSP) (2020/21–2030/31) and the Green Jobs and Fair Labour Market Programme (GJFLMP). The project aims to support economic empowerment and climate resilience of Ugandan women through increasing awareness and access to information about climate change risks and impacts across sectors, and increasing capacity and opportunities for micro, small, and medium sized women-led enterprises to benefit from and contribute to Uganda’s green growth strategies.

Table 4.1: GROW’s Climate Change Activities by Component

Activity	Climate change activity
Component 1: Support for Women Empowerment and Enterprise Development Services including in host and refugee communities (total IDA US\$42 million)	
Subcomponent 1A: Strengthening of platforms and beneficiary selection (total IDA US\$5 million)	<p>Climate risk and vulnerability criteria to be included in district and enterprise selection.</p> <p>Climate change-related groups included in scope of mapping existing women’s platforms.</p> <p>Orientation sessions to include information on the project’s objectives of supporting climate resilience and women’s movement into green, inclusive, resilient growth and sectors, as well as project linkages to supporting gender targets in Uganda’s national strategies for green growth.</p> <p>Communications and outreach campaign and materials and training / capacity building for women’s platforms to include climate change topics, e.g., current and projected climate change impacts and risks, implications for different sectors, Green, Resilient, Inclusive Development (GRID) principles, and provision of training and reskilling for women in new technologies applicable for green growth.</p> <p>Communications campaign on social norms will include a focus on GBV-climate linkages, including drivers of disproportionate vulnerability of women to climate change impacts, as well as women’s contributions to building social and economic resilience to climate-related and other kinds of shocks and stresses.</p> <p>Leverage women’s platforms and networks to facilitate training on climate change and peer-to-peer learning on topics such as climate-related changes, challenges, traditional knowledge, and practices from supporting livelihood resilience.</p>
Subcomponent 1B: Support for core business development for micro and small enterprises (total IDA US\$14 million)	<p>Include in package of training modules on climate change, GRID principles, Uganda’s green growth priorities and strategies, including risks and opportunities for women across different sectors, and for enterprises transitioning from M2S and S2M.</p>
Subcomponent 1C: Support for trade/sector specific skills (total IDA US\$15 million)	<p>Provide sector-specific capacity building on opportunities for integrating GRID principles and supporting adaptation and mitigation in enterprises. This would include, for example, training in climate-smart agri-business, use of energy and resource efficiency measures, etc.</p>
Subcomponent 1D: Women Entrepreneurship Fellowship Program (total IDA US\$8 million)	<p>Include training and capacity building to enhance climate resilience of entrepreneurs and enterprises, including opportunities in green growth sectors and jobs.</p>



Component 2: Access to Finance for Women Entrepreneurs (total IDA US\$90 million)	
Subcomponent 2.A: Grant support for micro enterprises through business competition (total IDA US\$20 million)	Climate risk and vulnerability information to be included in selection criteria for beneficiary enterprises. Simple climate risk assessments will be undertaken for M2S and S2M enterprises' business plans to identify climate risks, impacts, opportunities for supporting green, resilient growth and adaptation and mitigation objectives.
Subcomponent 2.B: Facilitating access to credit for enterprise growth (total IDA US\$35 million)	Include in training curricula relevant topics on climate change, current and projected impacts, implications for different sectors, GRID, training and reskilling in new technologies, e.g., applicable for moving into greener jobs and sectors.
Subcomponent 2.C: Sustainable loan products and processes for women entrepreneurs (total IDA US\$35 million)	
Component 3: Enabling Infrastructure and Facilities for Women Enterprise Growth and Transition (total IDA: US\$70 million)	
Component 3A: Multi-purpose service and production facilities to boost women enterprise productivity (total IDA: US\$38 million)	Climate resilient building standards for construction/rehabilitation of infrastructure and facilities to ensure infrastructure can withstand current and future climate-related shocks and stresses (e.g., increasingly intense flooding). Measures integrated in infrastructure to support adaptation (e.g., measures to enable rehabilitated/constructed facilities and infrastructure to act as disaster/flood centers; measures to enhance natural ventilation to manage increased heat stress, etc.).
Sub-component 3B: Enabling access to gender-inclusive workplace infrastructure (Total IDA: US\$32 million)	Construction of climate adaptive infrastructure, e.g., rehabilitation of water supply systems, construction of bore holes etc. in drought-prone communities that are expected to experience increasingly worse drought conditions due to climate change; upgrades / rehabilitation of community electricity distribution systems. Energy and resource efficiency measures integrated in construction / rehabilitation of facilities and infrastructure to support climate mitigation, including use of solar, construction of off-grid solar systems; efficient use of wastewater (e.g., greywater and blackwater reuse at building or site level, treated wastewater reuse for irrigation, treated sludge as a fertilizer replacement, nature-based solutions using retention ponds or constructed wetlands as part of integrated flood risk management, etc.); energy efficiency improvements in IT equipment and digital facilities (e.g., enhanced efficiency of cooling systems); use of energy efficient appliances such as energy saving stoves, fridges and washing machines.
Component 4: Program Management Support, Policy Innovation, and Evidence Generation (total IDA: US\$15 million)	
4.A: Project management support for high-quality implementation (\$12 million)	Institutional strengthening and capacity building on climate change topics, including current and future risks and impacts, sector-specific options for adaptation and mitigation, GRID principles, undertaking participatory climate risk and vulnerability assessment, enhancing engagement of women in green, resilient growth, integrating climate resilience and development planning, developing, climate resilient and adaptive building standards for infrastructure investments, etc.
4.B: Policy innovation and evidence generation (\$3 million)	Integrate climate change, GRID principles, and locally led climate action into learning agenda; identify priority actions for enabling policy and institutional environment for enhanced engagement of women in resilient and green growth sectors and jobs.